

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, FEBRUARY 25, 1932

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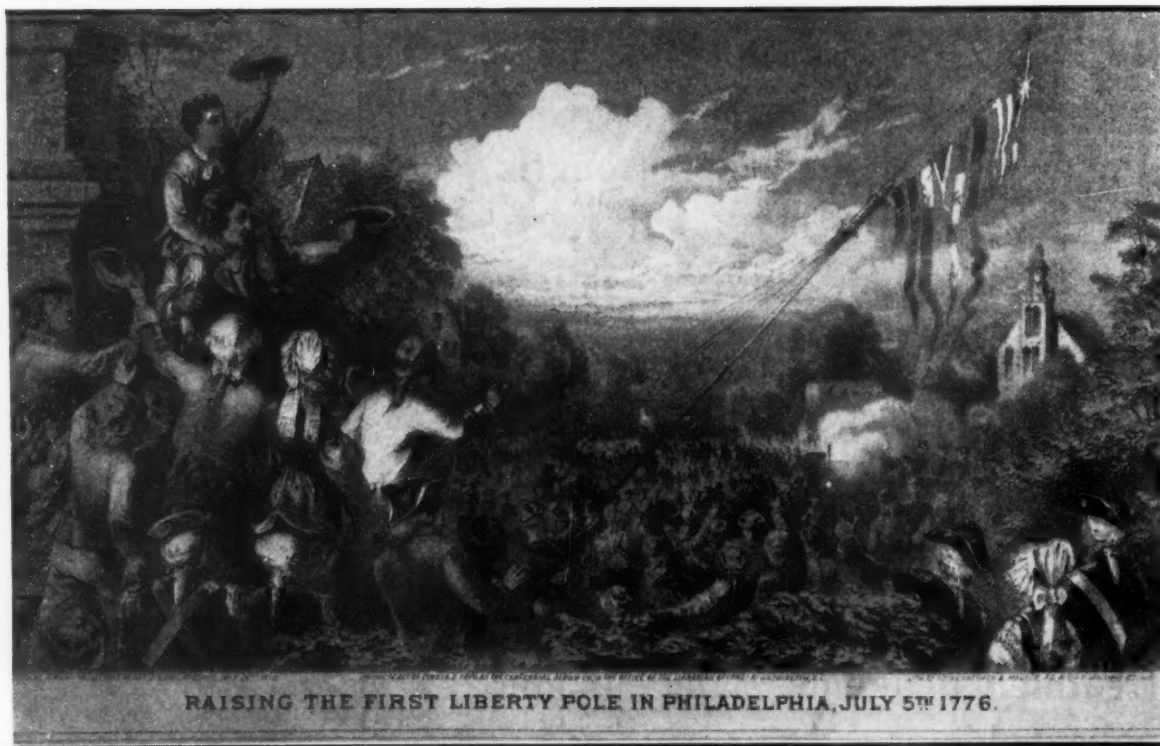
Established in 1849, the London Guarantee is one of the oldest and strongest casualty companies in the world.

LONDON GUARANTEE & ACCIDENT CO., LTD.

J. M. HAINES, U. S. Manager

HEAD OFFICE, 55 FIFTH AVENUE, NEW YORK

“STRENGTH LIES IN DEEDS NOT SIZE”



RAISING THE FIRST LIBERTY POLE IN PHILADELPHIA, JULY 5TH 1776.

Photograph Courtesy Chicago Historical Society.

On July 5, 1776, a day after the signing of the Declaration of Independence the people of Philadelphia wanting to express gratitude for their new freedom erected a "Liberty" pole. From its mast floated the "Stars and Stripes," the flag of the new nation just given independence. Other localities soon followed Philadelphia's example and "Liberty" poles became quite common.

LIBERTY poles—emblems of freedom were frequently seen in American cities after the yoke of oppression had been cast aside for independence and freedom. Outward manifestation of the new found freedom—Liberty poles, emblems of freedom, were also emblems of harmony and loyalty among people of a new nation.

Harmony and loyalty among agents and policyholders who receive unusual service from this company has also been a feature of the Eureka-Security Fire and Marine since its organization. This 68 year old company which writes all lines except life is small enough to give individual attention, but yet large enough to write liberally.

The Eureka-Security Fire and Marine Insurance Company

Established 1864

Cincinnati Underwriters
CINCINNATI, OHIO



"THE COMPANY THAT KNOWS WHAT TO DO FOR ITS AGENTS AND DOES IT"



The National Underwriter

Thirty-Sixth Year No. 8

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 25, 1932

\$4.00 Per Year, 20 Cents a Copy

"Affiliates" Used for Speculation

Reasons for Van Schaick's Legislative Crusade Are Set Forth

FOR DIRECT INVESTMENTS

N. Y. Superintendent Says Purchase by Affiliates of Mortgages, Securities, Real Estate Evades Law

NEW YORK, Feb. 24.—In the absence of the complete text of the bill proposing an amendment to the insurance law governing investments of insurance companies, other than life, which was offered in the legislature at the behest of the insurance department and which will be argued before the committee on insurance this afternoon, much speculation has been indulged in as to Superintendent Van Schaick's criticism of the "tendency of insurance companies to create affiliates which evade the restrictions placed by law on the investments and powers of companies when acting directly," and his appeal that the statute be amended to prohibit that practice.

An explanation is afforded by the preliminary report of the department to the legislature. After asserting that "the difficult situation facing some insurance companies is the result in part at least of speculative activities of the past," and holding that such practice should cease, Mr. Van Schaick states that "a related question involves the tendency to create wholly or substantially owned affiliates for the purpose of purchasing securities, placing mortgages or holding real estate."

Affiliates Not Necessary

"There exists no necessity for such affiliates," Mr. Van Schaick maintains. "If the investments or holdings are proper they should be made directly by the company and appear as such on its books and statements. If such investments are improper the affiliate resolves itself into a convenient method of evading statutory restrictions and should not be tolerated. An amendment to section 16 prohibiting the investment by insurance companies in affiliates would be an effective curb on this tendency."

As to the holding by an insurance company of the stock of another the superintendent says that the plain legislative intent in the enactment of the governing statute "is to limit the investment of an insurance corporation in the stocks of another insurance corporation to 50 percent of the surplus funds of the investing corporation. The third sentence of the subdivision was inserted as an exception to this limitation in order to permit an investing insurance corporation to purchase the securities of

(CONTINUED ON PAGE 15)

Hearing Is Held on Marine Regulations in New York

FIVE BILLS ARE PROPOSED

New York Senate Committee in Public Session Listens to Both Sides on Encroachment

ALBANY, N. Y., Feb. 24.—At a public hearing before the senate insurance committee here, marine companies protested against departmental bills to place them under supervision of the insurance department for rate-making purposes.

Representing the American Institute of Marine Underwriters were Col. A. G. Thacher, Douglas Cox, Chairman Hendon Chubb, H. H. Reed and E. J. Perrin, Jr., with A. C. Charles as counsel. Edward Biddle, Indemnity of North America, also was present.

Expects Agreement Soon

Colonel Thacher said a committee of marine companies had been at work in cooperation with the superintendent and representatives of fire and casualty companies for several months and had about reached agreement with fire companies as to what constituted common ground for their activities. An agreement with casualty companies was expected soon.

He said that for the department to step in now with rate regulation of marine companies would prevent consummation of the agreements, which, he said, would be of nation wide force when completed.

Other Objections Offered

It also was argued that rate making is intended to apply to fixed objects and not to those which have a different situs from time to time; that rate making for marine risks would mean establishment of a rate for each risk, and that the business now in the hands of American companies would go to England unless the companies are to retain their present powers of making immediate rates to meet competition. Sen. S. H. Hofstadter of New York City asked if marine companies would approve a provision giving the superintendent power over rates on that class of risks where the marine companies come into direct competition with casualty and fire companies, but this idea was not acceptable.

Superintendent Speaks

Superintendent Van Schaick said he contemplated amending the bills so that departmental supervision would extend only to marine companies where they actually invade the casualty or fire field.

J. J. Magrath, chief of the department's rating bureau, defended the bills, declaring the practice of persistent invasion of casualty and fire insurance by marine companies had been responsible for the attempt to gain remedial legislation.

The marine bills are Senate numbers 628, 629, 630, 631 and 632.

The Wheatley bill, adding a new section to require every domestic carrier to maintain invested capital and surplus in stock, bonds and other evidences of indebtedness within the state of New York was opposed by J. H. Doyle, gen-

First Bancredit Proposes Uniform Premium Financing

EXECUTIVES GIVE AUDIENCE

Agreement Will Be Submitted to the Foremost Fire and Casualty Organizations

NEW YORK, Feb. 24.—After explaining to a group of fire and casualty executives the plan of the First Bancredit Corporation for financing agents' premiums, L. M. Lilly, president of the organization, sought the views of the executives as to the form of contract that might prove acceptable to companies, agents and assureds, and so informed promised to draft an agreement for submission to the National Board, the National Bureau of Casualty & Surety Underwriters and the Association of Casualty & Surety Executives.

The gathering here was upon the initiative of Mr. Lilly, who desires to see adopted a form of agreement uniform in terms that might be used the country over and by all classes of carriers dealing with financing concerns.

The legal points involved in the general scheme were explained to the underwriters by the general counsel of the First Bancity Corporation, affiliated with the First Bancredit, who incidentally is counsel for the St. Paul F. & M. While the executives were interested in the proposal and promised to review the final draft of the proposed agreement after it is prepared, they were non-committal, some frankly favoring the handling of agency accounts without the intervention of any third party interest.

The collection of agency balances is one of the most difficult problems confronting company executives these days and any effective plan for meeting the situation should be welcomed.

eral counsel National Board, who declared it would mean that New York would gain the assets of six companies and might drive 36 companies to their home states because of probable retaliatory action elsewhere.

Distinguished Gathering

Among others who attended were Frank Seydel, National Board; Hervey Drake, representing various casualty companies; B. M. Harris, secretary Insurance Brokers Association of New York; Arthur Arnow, president General Brokers Association; Walter Nathanson, president Brooklyn Brokers Association; R. A. Algire, chairman casualty committee, National Bureau of Casualty & Surety Underwriters; F. L. Gardner, Poughkeepsie, past president National Association of Insurance Agents; Samuel Rosan, president Brownsville & East New York Brokers Association.

Ready for Examinations

Registrations totaling 1,555 have been received for the examinations of the Insurance Institute of America to begin April 11. The examinations will be given in 28 centers. The number of registrations exceeds last year's record.

Suburban Field Well Cultivated

Companies Relish the Class of Business That Comes from This Area

LOSS RATIO FAVORABLE

Companies Are Not Disposed to Increase Commissions in New York Metropolitan District

NEW YORK, Feb. 24.—The determination of one of the prominent fire companies to establish a special department for the development of New Jersey suburban business, follows the creation of such offices by the majority of the companies for handling the New York suburban territory. The conviction is that business in both fields is controlled to a considerable extent by brokers operating in this city whose patronage is desired. Business in the suburban areas has ever been eagerly sought, consisting as it does very largely of dwelling properties. While the record on the class during the past two years has not been as favorable as formerly, it has yet been appealing. One company that has long cultivated the New York suburban territory reports a loss ratio of something under 40 percent for 1931, evidencing the return that may be expected from the field if its business is intelligently handled and the right type of agents and brokers cultivated.

Scale of Commissions

New York suburban agents are paid flat 20 percent commission, plus 5 percent contingent, a scale fixed when the Suburban Fire Insurance Exchange was formed many years ago, and which has since continued. Local agents within the jurisdiction petitioned the companies to increase the contingent allowance to 10 percent, maintaining that an advance was needed to take care of their growing overhead expense. They complained at the same time of the inroads made on their business by metropolitan brokers. The companies, however, failed to approve the appeal pointing out that any advance in the scale of compensation would result in the entry of additional agents into the business, and that the volume of business by the established men would be materially reduced in consequence.

Many Part-Time Agents

Investigation developed that many part-time agents were operating who had no legitimate place in the field. While the licenses of a number of such have been cancelled by the companies following the presentation of convincing evidence, the agents' association is convinced that further license cancellations are in order before all makeshift representatives are cleared out.

Washington Agents League Held an Important Meeting

ALL ANNEXES ARE OUTLAWED

Annual Meeting of the Organization
Will Be Held Next Autumn
in Seattle

SEATTLE, Feb. 24.—Underwriters agencies are undesirable, it was the opinion of insurance leaders here expressed in a resolution following an all day session of the executive committee of the Insurance Agents League of Washington and officials of exchanges throughout the state. Convening upon call of President Wallace Miller of Yakima 25 officials of the league and of exchanges in Seattle, Tacoma, Everett, Spokane, Yakima and Bremerton put in a busy day, discussing problems and how to solve them.

The executive committee of the league decided to hold the next annual meeting in Seattle next fall. A report of the past six months of the fiscal year read by President Miller showed the league gained in membership.

Among the subjects discussed was the advisability of supporting a proposed law cancelling a policy or requiring endorsement of it if not paid by a certain date.

The league's committee appointed to investigate the Automobile Club of Washington, which is in the insurance business, made a report. The question of appointing automobile dealers' agents came up and President Miller was directed to appoint a committee to study this and seek a way to eliminate such competition.

Premium Trend Still Down January Reports Indicate

As the reports for January are being tabulated, it has become apparent that bottom has not been reached by the fire companies in point of premium income. As compared with January, 1931, January of this year shows a decline in premium receipts. It is not a sharp decline, but is definite enough to indicate that the premium volume is still on the down grade.

The number of risks written seems to be about the same as last year, the decrease being attributed largely to insurance being rewritten for lesser amounts, as the companies have directed, in order to have coverage conform to present day values. Another factor, which is still important, is the tendency to rewrite term business on the annual basis. Those two processes will undoubtedly be manifest for many months and perhaps for a year or two and will continue to have a retardant effect on premium income.

Nashville Elects Delegate

Horace England, of Rutland & England, recently elected president of the Nashville Insurance Exchange will represent the Nashville organization at the mid-year meeting of the National Association of Insurance Agents in Cleveland. C. B. H. Loventhal of Nashville, national councillor for Tennessee, will accompany Mr. England.

Tokio and Standard Figures

The Tokio in its new statement shows assets \$13,840,563, premium reserve \$2,002,188, security depreciation reserve \$2,542,658, surplus \$8,638,603. The surplus depreciation reserve represents the exact difference between June 30 and Dec. 31 figures.

The Standard of New York shows assets \$3,601,273, premium reserve \$1,215,603, capital \$1,000,000 net surplus \$1,171,150. The assets are based on Dec. 31 valuation.

W. H. Haller Delivers Warning as to One-Sided Agency Contracts

W. Harry Haller of the Haller & Coblenz agency at Frederick, Md., is the author of the following communication to THE NATIONAL UNDERWRITER:

"For many years it has been apparent that one of the fundamental weaknesses of the fire insurance business has been the lack of a standard contract between company and agent.

"Life insurance companies, after the general house cleaning that followed the 1905 investigation, recognized this problem and successfully solved it. The result is standardized contracts that operate so satisfactorily for both parties at interest, that an open dispute between agent and company is a rare occurrence.

Casualty, Surety Contracts

"The casualty and surety companies all have contracts of sorts. It is true that these contracts, taken as a whole, are not satisfactory to either company or agent. For the most part they demand everything of the agent and give him nothing in return. Some notable exceptions are to be found. One New York company and one Hartford company, both members of the giant groups, offer contracts that are simple and essentially fair to both parties.

"From the company's viewpoint, the important factors in its relations with its agents are prompt collections and payment of premiums, underwriting profit and volume, in the order named. The most important factors in agency structure are ownership of expirations, volume, collection and payment of premiums. Unless he has an underwriting profit he has not the same interest in underwriting profit as the company, although if he is wise he realizes that unless his companies do make an underwriting profit they cannot be expected to continue in his office.

"Both of the companies mentioned are fair and just in their treatment of every phase of agency relationship. They treat insurance premiums as trust funds but

they are consistent in that they specifically do not attempt to hold an agent for any premiums he does not collect. The agent remits on the first of each month, premiums collected during the preceding month, identifying each. If credit is extended, the responsibility rests upon the company, where it properly belongs and not upon the agent.

Expirations Respected

"No restriction as to representation of other companies is included, so that the agent is at liberty to have as many companies in his office as he finds necessary to meet his requirements. In event of termination, agency expirations are not molested or interfered with.

"With the arbitration clause as defined in Section 9 of the proposed fire insurance contract published in your issue of Jan. 14, either of the two contracts referred to could easily be used as a model for the proposed fire insurance contract that is being discussed now.

"The other extreme can be found in the contract issued by a large casualty and surety company. This contract attempts to prohibit the agent from representing any other casualty or surety company while at the same time it reserves the right to decline any single offering or any class of business; to withdraw from the territory for any or all classes at its pleasure, to cancel without consideration of the agent or his client or without giving any reason therefor, any or all business.

Inconsistencies Claimed

"It claims that premiums collected by its agents are trust funds and in the same paragraph demands that the agent pay on a monthly statement basis and be responsible for all premiums whether collected by him or not.

"It gives its president arbitrary power to decide practically every question per-

(CONTINUED ON PAGE 31)

THE WEEK IN INSURANCE

The legislative crusade of Superintendent Van Schuick of New York against use of affiliates for speculative purposes and to evade the insurance law is explained. **Page 3**

New York senate insurance committee hears arguments on both sides of marine encroachment subject at public sessions attended by many insurance men in connection with five bills to regulate marine companies. **Page 3**

Fire and casualty executives hear proposal on the part of the First Bancredit Corporation to promulgate a uniform premium financing agreement for use throughout the country by all classes of companies. **Page 3**

Missouri field men launch campaign to improve loss record in the state by calling a meeting in one town with a bad ratio each week and considering the advisability of applying special regulations there. **Page 5**

The insurance department of the Chamber of Commerce of the United States in analyzing insurance taxes for 1930 and for a nine-year period shows that a negligible portion is used in the interest of policyholders. **Page 6**

J. P. Wilkinson convicted in federal court of fraudulent use of mails for promotion of insurance schemes and sentenced to three years in prison. **Page 6**

Capt. J. J. Conway, superintendent of the Cincinnati salvage corps, is dead. **Page 5**

P. B. Reed, assistant United States manager of the Phoenix of London, is joining the Toplis & Harding-Wagner & Glidden adjusting organization in New York. **Page 5**

W. H. Bennett, secretary National Association of Insurance Agents, tells agents at Springfield, Mass., that commissions are being threatened up and

down the line, executives failing to distinguish between commissions and other expense items in their move to reduce cost. **Page 33**

Annual convention of the State Farm Mutual Auto and State Farm Life, both of Bloomington, Ill., is being held this week. **Page 27**

Missouri grants compensation rate increase, raising annual premiums \$350,000. **Page 34**

Motor deaths in 1931 estimated at 34,400, a 3 percent increase, by Travelers on basis of reports from 44 states and District of Columbia. **Page 35**

Superintendent Van Schaick of New York defers application of new automobile liability and property damage rates until March 1, explaining that modifications of the tariff and a merit plan are under consideration by the department. **Page 33**

Chicago glaziers refuse to make replacements of insured glass in that city, thus bringing to a crisis the glass difficulties there. **Page 40**

Mellbank Surety Corporation of Pittsburgh is forced to write depository bonds on public moneys deposited in the Mellon banks. **Page 33**

Group disability companies expected soon to go on waiver only basis as result of heavy losses. **Page 34**

Chief executives of majority of casualty and surety companies operating in New York give pledge to Superintendent Van Schaick to observe acquisition cost rules. **Page 34**

Committee of commissioners is meeting in Chicago to consider loss classification schedule proposed by Commissioner Mortensen of Wisconsin. **Page 4**

Loss Classification Plan Pondered by Commissioners

MORTENSEN SYSTEM STUDIED

Committee Is Meeting in Chicago
Thursday in the Interest of
Uniformity

A meeting of a number of commissioners is being held Thursday of this week at the Edgewater Beach Hotel in Chicago principally to consider the loss classification schedule which was submitted to the National Convention of Insurance Commissioners at the December meeting. Those on hand will be members of the fire insurance committee of the commissioners convention and of a special subcommittee on the experience classification plan submitted by Commissioner Mortensen of Wisconsin.

Members of the fire insurance committee are Hanson of Illinois; Fishback, Washington; Kidd, Indiana; Thompson, Missouri; Van Schaick, New York; Mitchell, California; Allin, Kentucky; Dunham, Connecticut; Armstrong, Pennsylvania, and Horswell, South Dakota.

Members of the special subcommittee are Mortensen, Van Schaick, Hanson, Dunham and Livingston, Michigan. J. J. Magrath, chief of the rating division of the New York department, will represent Van Schaick. The Chicago gathering is officially a meeting of this subcommittee.

It will be recalled that at the December meeting after the commissioners adopted the revision of the National Board classification, Mr. Mortensen submitted for consideration a plan he has prepared for use in Wisconsin to secure classification experience as required under the new law. It was felt that there should be uniformity if possible so that Wisconsin should not be isolated too far from the National Board list.

New Florida Company Proposed

ORLANDO, FLA., Feb. 24.—Publication of intent to apply for charter for the American Fire & Casualty of Orlando is made here, the intimation being made that all lines of fire and casualty are to be written. The officers are Walter L. Hayes, president; W. R. Speigal, vice-president; S. G. Gray, Jr., secretary, and George S. Bradshaw, treasurer. All are interested in the American Automobile Insurance Association, a reciprocal with about 12,000 members.

Sturm's 40th Anniversary With Continental Feted

NEW YORK, Feb. 24.—Feb. 23 marked the completion of 40 years' service with the Continental by Ernest Sturm, chairman of the board America Fore group. In appreciation, some 50 officers of the group at a luncheon paid high tribute to their chief. Vice-president B. M. Culver voiced the "affection, esteem and love" in which Mr. Sturm is held by the staff.

Responding, Mr. Sturm spoke of his appreciation of the officers' good wishes and said that none of the work of recent years could have been accomplished without the support he had received from them.

In a reminiscent mood he described business practices in 1892 when he became office boy in the Continental, then at 100 Broadway. His first job was in that capacity to Henry Evans, late president of the America Fore. A huge bouquet of American Beauty roses stood on Mr. Sturm's table, and was later sent to Mrs. Sturm at their home in Brooklyn.

Loss Problem in Missouri Tackled

Regulations Being Applied to Bad Towns by Field Men in That State

MANAGERS BEHIND MOVE

Committee, Headed by D. R. Ford, Calls Meeting in One Town Each Week

A committee of the Missouri Fire Underwriters Association, headed by D. R. Ford of the Springfield F. & M., is launching a program to reduce loss ratios in those Missouri cities with excessively high burning records. The plan is to hold a conference of all interested field men to be followed by a joint conference with local agents in the city under scrutiny. Meetings already have been held at Poplar Bluff, and Bolivar. There will be a meeting at Louisiana Thursday of this week.

The committee was formed after Mr. Ford had submitted a report to the Missouri Fire Underwriters Association in which he advocated enforcing regulations in towns with excessive loss records to reduce the insurance to value on dwellings, contents and mercantile buildings to a point not in excess of 60 percent, after deducting the value of the ground, and on mercantile stocks to 55 percent of the actual cash value. He recommended abolition of the co-insurance clause and credit therefor on ordinary constructed buildings and contents; elimination of the permit for other insurance and instead a specific permit for the total amount of insurance allowed to be stamped on each policy; that a special questionnaire be prepared in lieu of the questionnaire on the back of the daily report.

Managers Behind Program

This work is the outgrowth of a conference last December of western managers of nine company groups, who pooled their Missouri experience and agreed to attack the loss problem in bad localities cooperatively. Some of the companies were in favor of cooperative withdrawal from towns with consistently excessive loss records. Similar activity is being advocated in other western states, notably Tennessee, Kentucky and Oklahoma, by some of the cooperating companies.

The committee on Mr. Ford's report recommended that the chairman notify all interested field men as to when the meetings will be held, the field men to organize themselves into a parliamentary group at the preliminary meeting, attended exclusively by field men. After notification of the meeting, each field man is instructed to request the attendance of his agents at the meeting.

The field men are to consider the advisability of certain regulations for the town under consideration, among the regulations to be reduction of insurance to value to not to exceed three-fourths of the market value, except on fire proof and sprinklered risks. Advisability of eliminating permission for other insurance and instead substituting a total concurrent insurance permit is to be considered.

The field men will discuss the wisdom of demanding vacancy permit No. 2 to be attached to the policy immediately when a building becomes vacant. The field men will discuss the advisability of causing the agents to fill out a

(CONTINUED ON PAGE 15)

P. B. Reed to Join Toplis & Harding

Assistant U. S. Manager Phoenix of London Changes Base

TO START ABOUT APRIL 1

Experience of Prominent Fire Official Has Long Been in the Adjusting Field

NEW YORK, Feb. 24.—After ten years with the Phoenix of London, Prentiss B. Reed will retire as assistant United States manager and as an official of its affiliated companies, April 1 when he will join the Toplis & Harding-Wagner & Glidden loss adjusting combination. Mr. Reed will be located in this city and will devote himself particularly to handling fire claims, work in which he has specialized for years and in which he has become remarkably proficient, ranking as one of the foremost adjusters in the United States. Toplis & Harding have long been outstanding claim adjusters, their clientele being largely British institutions. Wagner & Glidden is prominent in the mid-west but has been operating in the east for some time, mainly handling inland marine losses.

A native of Atlanta, Mr. Reed's first affiliation with insurance dates from 1896, when as a boy he entered the southern department of the Phoenix of Brooklyn, subsequently traveling as special agent in Alabama. In 1913 he be-

Agencies in Better Shape as Result of Prompt Payments

DENVER, Feb. 24.—The financial condition of many local agents in the mountain field, in spite of depressed business conditions, is better than ever before, according to a prominent fieldman.

Because the insurance companies have been more insistent on prompt payment of premiums, it is declared that the local agents have given more attention to their premium collections. This has resulted in many accounts of assureds being converted from the unprofitable column to the profitable, it was revealed. Where premiums were charged off as lost in the past these same customers when faced with cancellations are now paying up, according to this authority, and with practically no loss of volume. One case was cited, disclosing a premium of over \$800 due from a large assured. The fieldman approached the local agent with the injunction that the amount must be paid.

The local representative was not in a position to pay, so he explained the urgent circumstances to his customer, whereupon the assured went to his bank and borrowed the amount and paid up. The case was satisfactorily solved, "and after all," declared the fieldman, "why wasn't it more equitable for the assured rather than the local agent to do the borrowing."

came manager of the Birmingham branch of the Southern Adjustment and continued for five years when he became senior staff adjuster for the Home at its headquarters here. In 1921 he became general adjuster for the Phoenix of London, becoming assistant manager as well in 1929. He is the author

Capt. Conway Was National Figure

Superintendent of Cincinnati Salvage Corps Attained Unique Distinction

DEATH IS GREAT LOSS

Was Most Forceful Exponent of Municipal Fire Prevention in the United States

J. J. Conway, superintendent of the Cincinnati underwriters salvage corps, died Sunday evening of this week at his home. He had been seriously ill for several months and last year underwent a series of operations from which he never fully recovered. He was 74 years old. Before becoming head of the Cincinnati salvage corps, he served nine years in the Cincinnati fire department and had advanced to the rank of captain at the time he left it. He became nationally famous not only for his work in directing and improving salvage corps methods but also for his public leadership in fire waste prevention.

Two years ago the National Board sent Captain Conway to inspect salvage corps work in many cities. His work in this field and as an active and prominent

(CONTINUED ON PAGE 14)

of "Adjustment of Fire Losses," an authoritative work now used as a textbook by students of claim settlements.

FIGURES FROM DECEMBER 31, 1931, STATEMENTS FIRE COMPANIES

STOCK COMPANIES										
	Assets	Gain or Loss in Assets	Reins. Res.	Gain or Loss in Reins. Res.	Capital	Surplus	Gain or Loss in Surplus	Losses Paid	Net Prem.	Loss Ratio Percent
	\$	\$	\$	\$	\$	\$	\$	\$	\$	Percent
Carolina, N. C.	2,341,048	-76,496	681,635	-71,547	500,000	476,844	-96,768	410,934	662,505	58.6
Columbia F. N. J.	3,087,936	-3,522	580,557	-59,956	1,000,000	1,013,965	-269,271	295,006	503,167	53.8
Eagle Fire, N. Y.	2,498,270	12,013	482,839	-14,080	1,000,000	566,253	-331,508	223,266	414,760	45.51
Fed'l Union, N. Y.	2,428,987	-2,072	711,641	-22,926	1,000,000	170,827	-362,406	327,996	720,735	52.7
Fuso M. & F. N. Y.	897,978	63,794	52,928	6,285	200,000	286,052	-71,532	77,649	149,443	59.3
Hamb-Amer, N. Y.	2,479,601	-3,029	744,566	-450,673	300,000	1,213,884	531,245	726,372	656,039	110.72
Hartford	91,017,480	-2,693,404	35,440,877	-1,520,999	12,000,000	21,029,001	-12,052,958	19,085,458	36,760,330	59.3
Home F. & M. Cal.	5,860,429	-421,031	2,485,126	-306,580	1,000,000	1,739,067	-282,943	1,361,813	2,294,327	43.4
Imperial, N. Y.	4,031,861	103,550	1,235,800	64,035	1,000,000	681,111	-850,718	513,133	1,181,641	60.6
Ind. Mut. Mar.	1,239,450	-147,801	238,292	-7,131	300,000	377,682	-225,671	382,129	630,519	38.8
LaFayette, La.	874,979	-12,054	143,311	803	200,000	496,023	-12,293	49,808	129,038	47.3
Liverpl' & L. & G. 20	455,983	919,186	11,035,294	-458,030	.....	4,026,662	-1,855,633	4,699,699	9,921,585	17.4
Louis F. & M. Ky.	119,059	12,648	45,760	1,542	50,000	41,490	10,644	4,254	27,727	11.5
Majestic Fire	493,825	-99,885	83,997	-3,139	250,000	147,123	-54,530	39,002	62,640	24.6
Natl. Union, D. C.	560,250	102,177	4,638	4,638	100,000	350,357	22,704	8,916	70,536	45.6
New York Und.	7,424,200	198,375	1,107,821	-51,486	2,000,000	3,375,694	-513,659	541,286	1,108,125	48.84
Penn General	317,952	19,344	.....	.....	200,000	96,195	-12,552	11,261	45,656	8.9
Petersburg, Va.	724,400	15,171	115,483	-16,879	200,000	393,526	29,984	88,664	105,305	45.6
Phoenix, Eng.	8,034,648	-645,293	4,240,190	-72,080	400,000	1,221,795	-2,525,111	1,710,889	3,728,593	188.7
Pref. Risk, Kan.	916,481	-291,429	339,917	-275,143	100,000	263,190	46,489	299,569	158,746	56.8
Prudential Reins.	8,971,593	-41,838	4,387,302	-134,686	200,000	1,550,000	250,000	2,414,714	4,439,338	11.2
St. Louis F. & M.	463,735	33,001	105,739	62,900	200,000	143,003	-40,819	10,555	93,870	36.7
Security, Ia.	2,872,392	-34,946	936,653	-26,196	500,000	508,035	2,144	220,382	600,447	55.51
Springfield F. & M. 33	574,911	-1,124,305	13,838,024	-1,311,160	5,000,000	5,028,050	-7,183,494	7,279,450	13,113,719	46.81
Star, N. Y.	5,185,048	-139,640	2,063,783	-80,755	1,000,000	893,682	-882,589	907,505	1,938,539	61.1
Swiss Reins.	7,055,190	-347,286	2,959,822	-597,411	200,000	1,753,525	-634,629	1,683,457	2,539,435	17.883
Tennessee	77,474	-1,211	.....	.....	50,000	17,883	2,625	12,615	51,638	56.8
Union, Ind.	559,641	-12,078	223,681	-40,314	200,000	56,164	4,991	230,707	406,311	44.1
United Firemen's	4,227,065	14,593	1,246,080	40,314	1,000,000	534,065	-875,283	512,536	1,160,097	318.415
U. S. M. & S. N. Y.	6,514,629	-51,134	2,192,922	-190,080	1,000,000	1,563,098	-216,045	1,923,276	3,188,415	70.32
Virginia F. & M.	3,027,944	-330,619	1,265,986	-145,557	500,000	1,035,195	-136,576	826,171	1,174,898	58.4
Wheeling F. W. Va.	857,263	-78,441	400,990	-28,993	200,000	138,714	-80,043	201,142	344,459	58.4

MUTUALS										
	Cash Assets	*Total Assets	Unearned Prem.	Cash Surplus	*Total Surplus	Losses Paid 1931	Total Income	Total Disburs.	Amount at Risk	
Lumbermens Mut. O.	2,200,474	2,200,474	1,291,483	725,375	2,585,674	1,922,897	774,041	2,027,571	2,153,276	291,888,803
Mill Owners' Mut. Ia.	2,570,116	4,811,571	1,190,015	1,204,817	3,446,272	1,717,700	681,960	1,856,897	1,941,403	337,357,316
Northwest Mut. Wash.	4,616,449	4,616,449	3,126,665	850,817	4,763,321	2,558,242	5,002,112	5,330,340	683,898,052	63,330,067
Ohio Millers' Mut.	448,084	448,084	249,138	103,925	103,925	355,089	163,610	380,521	373,793	36,732,756
Pa. Lumb. Mut.	2,773,870	.....	623,608	2,062,574	.....	1,202,127	378,602	1,321,229	1,109,636	555,440
Pa. Millers' Mut.	2,235,896	.....	361,727	1,527,425	.....	565,971	249,809	656,086	555,440	85,751,664
Quincy Mut. Mass.	2,255,781	2,255,781	730,209	1,485,589	1,485,589	632,385	244,302	734,662	665,794	135,276,522
Reliable Auto, Ind.	.....	141,870	55,876	.....	51,202	163,795	113,400	168,879	213,912	.....
Retail Lumber, Inter.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ins., Minn.	633,007	647,774	202,897	430,109	433,318	548,094	207,677	613,906	677,773	92,168,350
Salem Mutual, Mass.	146,133	150,701	72,783	72,346	72,346	70,192	28,068	77,738	70,822	12,074,993
Union Fire, Neb.	.....	633,145	292,336	.....	300,633	410,001	258,862	439,882	572,885	156,902,875
Union Mut. Vt.	50,791	384,265	86,520	50,791	134,687	483,158	335,824	495,650	492,214	63,352,142
West. Millers Mut. Mo.	726,956	785,937	301,229	.....	429,937	554,012	187,781	588,137	578,724	90,561,750

*Include cash assets, notes and policyholders' contingent liability.

J. P. Wilkinson Sentenced to Three Years in Prison

CONVICTED IN FEDERAL COURT

Nationally Known Promoter Rounded Up by Postal Authorities on Fraud Charge After Long Chase

TRENTON, Feb. 24.—J. P. Wilkinson, sought for a number of years for alleged "wildcat" operations, was sentenced last week to three years and fined \$500 in federal court here on a charge of promoting through the mails a fraudulent nation-wide insurance business.

Wilkinson's operations first came to the attention of the New Jersey department back in 1927, when an assured holding a policy in one of Wilkinson's "foreign companies," which in reality did not exist, sought to collect under it. The address of the "Wilkinson Agency" was given in a prominent business building in the lower part of Jersey City. After numerous unsuccessful attempts to collect, he sought the police and also notified the insurance department.

Office Vanishes Overnight

The office in Jersey City was moved away overnight and an address left for mail to be forwarded to Wilmington, Del. There also the insurance commissioner's aid was asked and he announced that "Wilkinson's" license had been revoked many months before.

Aid of the postoffice authorities was then asked. "Wilkinson's" mail was forwarded to another address but under a different name. Early in 1928 an agency under the name of the "Fire Office of America" was incorporated in New Jersey and a handsome suite of offices was opened in the Military Park building in Newark. Although Wilkinson's name did not appear among the incorporators, postoffice authorities received a tip that the incorporated name and Wilkinson were one and the same. The new agency announced that it had been appointed general agent for a number of foreign companies. Investigation by the department here revealed that none of the companies was licensed in this state and, as far as could be learned, they were not licensed in any part of the United States.

Philadelphia New Headquarters

The department communicated with the police in Newark and four men found in the office were arrested, charged with violating the insurance law. On their promise to leave the state immediately and no longer attempt to do business in New Jersey, they were discharged.

Several months later complaints began to come in, this time from Philadelphia, that a man by the name of "Wilkinson" was operating a chain of foreign companies, with a mail address in Wilmington, Del., and that assureds were unable to collect on claims.

A trap was set by the postoffice authorities and Wilkinson was finally arrested in Camden some months ago. During his operations, covering about eight years, it is estimated that he collected over \$400,000 in premiums for fire insurance in alleged foreign companies, most of which did not exist except on Wilkinson's letterheads.

Certificates were issued in place of policies, it being explained to assureds that this was the method of foreign companies in the United States. The certificates were never signed in New Jersey or Pennsylvania, but were issued from the Wilmington office of the "agency."

Two prominent Montana local agents, R. H. Wright of Great Falls, and G. L. Gagnon of Butte, died recently.

Examiners Are Urged to Assist Producing Staff

Fire examiners nowadays must constantly be on the alert and use every faculty in making it possible to put in force any legitimate business, L. R. Hanawalt, assistant western manager National of Hartford, told the Association of Fire Insurance Examiners at a meeting in Chicago. It is important for them to put more brains into their work and not to permit it to become mechanical, he said.

The tone of letters is vital. Mr. Hanawalt emphasized that examiners are a part of the production organization of the company and there are many things they can do to promote good business and cultivate the good will of agents. If an examiner is undiplomatic in his correspondence, Mr. Hanawalt said, this can nullify much good work of field men.

Examiners constantly should bear in mind the fact that one of their most important duties is cooperation with the field men. It is necessary to conduct correspondence in a way which will create a friendly atmosphere, and examiners should do everything to make business acceptable if possible, rather than to reject it off-hand.

Against Ultra-conservatism

He pointed out that every examiner has a minimum and maximum range that he can approve for any given risk, and he urged the examiners not to bear too much in mind the possibility of criticism in event of a loss, but to write as much on a risk as they can properly.

It is necessary for examiners to be acquainted with their territory, to know the different industries in it, the character of population, and in addition to seek every opportunity to make personal contacts with the agents in addition to correspondence.

In regard to reinsurance, Mr. Hanawalt emphasized that the premiums are actually on the books and examiners should make every effort to keep as much for the net account as possible.

Collection Plan for Poor Pay Clients Is Outlined

The National Guarantee & Finance Company, Columbus, O., has developed a plan for assisting agents to collect delinquent premiums without extra expense for the producers. When a premium has become delinquent, the agent may cancel and rewrite, collecting the down payment required under a premium financing plan on the new insurance and adding the old balance due to the remainder of the unpaid new premium, spreading out the payment for the whole over the installment period. The finance company then sets up the agent's account, the amount of the old balance due to the agent himself and pays this amount over to the agent when collected. The plan is devised not only to collect the delinquent premium but to save the business for the agency and get the entire amount of the new premium in the hands of the agent at once.

Hazard in Feed Grinders

Portable feed grinders are becoming important as farm fire causes. The grinders are usually operated right in the barn and numerous serious fires have been reported through their use. When dry feed is ground the air becomes filled with fine dust particles which ignite readily from the exhaust of the engine used to furnish the power. Many companies have warned farmers that their policies will be considered not in force whenever such machinery is in use in barns.

Only 4.45% of Insurance Taxes Used for Insureds

REST TO GENERAL REVENUE

Insurance Department U. S. Chamber of Commerce Analyzes Burden on the Business

The insurance department of the Chamber of Commerce of the United States reports that during 1930, special state insurance taxes collected in all states and the District of Columbia amounted to \$99,333,007, a decrease of \$658,465 under 1929. Expenditures by the insurance departments or the money spent in the service of policyholders amounted to \$4,016,971, an increase of \$170,173 over 1929. The percentage of total insurance department disbursements to total taxes was 4.45 percent, the highest for any year since 1918. The remaining 95.55 cents was used for general revenue purposes, serving the public without regard to whether each as individuals was insured or not.

For the years 1922-1930, inclusive, total collections in special state insurance taxes amounted to \$709,029,956, while total expenditures of the state departments totaled \$28,925,631. The insurance department of the Chamber of Commerce points out that had the difference of \$680,104,325 been retained by the insurance business, it would have been sufficient to care for more than 75 percent of all death claims paid beneficiaries of deceased policyholders by the life companies in 1930. It would have been large enough to pay in full the entire losses of American fire companies for 1929 and for more than half of 1930. It would have been sufficient to pay all claims arising from automobile liability coverage during the nine year period.

Premium Tax Important

The most important tax peculiar to insurance alone is the premium tax, which furnishes at least 90 percent of the total revenue coming from all the special forms of insurance taxation. Other special state insurance taxes include expenses for company examination, state fire marshal and fire department taxes, taxes levied by local governments in 13 states, fees for filing annual statements, publication fees levied by the state and collected by the departments, license fees for agents and brokers.

The Chamber of Commerce says that originally insurance taxes were levied to cover cost of some particular phase of state insurance provision, but now, the entire revenue produced by the premium tax, together with much of that from the other special insurance sources, is used for general operating expenses by the states.

N. Y. City Men Want Branch Office Plan National Issue

The New York City Association of Local Agents has adopted a resolution condemning the fire and casualty branch office system and calling upon the New York State Association of Local Agents and the National Association of Insurance Agents to obtain a declaration from the companies on their position as to branch offices. The resolution sets up that the branch office plan increases the cost of handling business and is against the best interests of the public as well as being in conflict with the principles of the American agency system.

The Gulf of Dallas has accepted the resignation of George W. Jalonick as chairman of the board. At the Gulf's annual meeting, Thomas E. Craig was added to the board.

Musical Instrument Floaters Are Needed

The need of carrying adequate insurance on valuable musical instruments is illustrated in the theft of an Italian violin more than 200 years old and valued at \$15,000, owned by Mrs. M. B. Taft of San Antonio, Tex. When Mrs. Taft went to take the violin from its case she found that a cheap one had been substituted for the famous Ruggieri. This instrument was given to her by her father who purchased it in Italy. Companies insure instruments of this kind under a musical instrument floater.

American of Newark Will Hold Regional Meetings

NEWARK, Feb. 24.—The usual convention of the American of Newark group at the home office here will be omitted this year and regional meetings will be held in various parts of the country.

The first meeting will be held at the home office March 14-15 and will be attended by the New England, New York, New Jersey and Pennsylvania field men. Officers of the company will preside and give talks, as well as some of the state and special agents.

The next meeting will be held in conjunction with the mid-year meeting of the National Association of Insurance Agents in Cleveland March 22-23. L. E. Falls, vice-president, and F. K. Mitchell, assistant secretary, will be in charge of the meeting.

The meeting at Greensboro, N. C., April 4-5, will be in charge of Mr. Falls and Frederick Hoadley, secretary. April 14-15 a meeting will be held at Atlanta under the direction of P. B. Sommers, vice-president, and F. S. Lindsay, assistant secretary. The closing meeting will take place at Memphis April 25-26, the same officers presiding as at the Atlanta meeting.

Great American Field Meeting

Field men of the Great American in the east and south are meeting with executives and divisional managers of the company in Brooklyn, planning to be in session several days.

Take Union Auto Business

The Associated Indemnity and the Associated Fire & Marine, both of San Francisco, have reinsured the automobile fire and theft business of the Union Automobile of Los Angeles in California and its fire, theft, public liability and property damage covers in Oregon.

Nichols Resigns at Detroit

L. C. Nichols, Detroit and Wayne county manager for the Home of New York, has resigned. There has been no announcement as to his successor.

Mr. Nichols had been in Detroit for the Home about two years. He was transferred there from South Dakota where he had been state agent. He was in the service of the Home 24 years.

North Carolina Sets Date

The North Carolina Association of Insurance Agents will hold its annual meeting at Wrightsville Beach, June 24-25, it was decided at a meeting in Greensboro. Three delegates were elected to the midyear meeting of the National Association of Insurance Agents in Cleveland. They are President T. C. Hayes of the North Carolina association; Secretary W. S. Markham and National Councillor Walker Taylor.

Fire Premiums in 1931 by Lines

U. S. Mer. & Ship., N. Y.			Home F. & M., Calif.		
	Prem.	Losses		Prem.	Losses
Fire	\$1,055,329	\$ 611,564	Fire	\$1,865,113	\$1,149,590
Ocean Marine	1,268,805	789,645	Ocean Marine	244,905	155,931
Motor Vehicle	328,744	186,373	Earthquake	9,796	20
Earthquake	29,319	51	Inland Marine	83,714	41,018
Inland Marine	442,428	327,766	Tor.-Windstorm	86,596	12,974
Tor.-Windstorm	53,902	6,491	Sprinkler Leakage	1,787	1,022
Sprinkler Leakage	3,331	832	Riot and Explosion	2,459	1,235
Riot and Explosion	7,110	554	Aircraft	155	22
Aircraft	—553	.....	* * *	
United Firemen's			Hartford		
Fire	\$1,009,265	\$ 456,929	Fire	\$27,723,587	\$15,727,670
Motor Vehicle	92,600	45,706	Ocean Marine	452,352	325,293
Earthquake	6,278	.....	Motor Vehicle	2,871,520	1,546,311
Inland Marine	6,682	1,531	Earthquake	68,197	.....
Tor.-Windstorm	36,765	6,714	Inland Marine	1,691,688	675,121
Sprinkler Leakage	5,243	1,206	Tor.-Windstorm	2,600,251	275,202
Riot and Explosion	3,007	420	Hail	1,017,789	414,137
Aircraft	255	30	Sprinkler Leakage	99,996	18,662
* * *			Riot and Explosion	118,373	9,243
Union, Indiana			Aircraft	53,714	54,678
Fire	\$ 25,298	\$ 5,025	Other Lines	62,864	39,139
Tornado	4,971	741	* * *		
Plate Glass	9,071	3,307	Hamburg-American		
Auto Fire	24,487	12,875	Fire	\$ 610,375	\$ 703,517
Auto Theft	27,546	13,365	Motor Vehicle	4,351	8,749
Auto Collision	112,705	104,968	Earthquake	3,701	.....
Auto Liability	118,042	62,156	Inland Marine	1,048	8,512
Auto P. D.	77,288	26,974	Tor.-Windstorm	31,020	4,737
Auto Towing	190	46	Hail	394	.....
General Liability	573	1,247	Sprinkler Leakage	831	607
Bonds	6,135	.....	Riot and Explosion	5,393	246
* * *			Aircraft	1,019	1
Star, N. Y.			* * *		
Fire	\$1,556,709	\$ 763,781	Fuso M. & F., N. Y.		
Ocean Marine	94,775	35,884	Fire	\$ 367	.....
Motor Vehicle	117,567	69,484	Ocean Marine	50,107	32,912
Earthquake	16,792	—60	Inland Marine	99,703	44,737
Inland Marine	36,920	10,424	* * *		
Tor.-Windstorm	73,046	12,858	Federal Union, N. Y.		
Hail	3,021	1,143	Fire	\$ 519,000	\$ 254,531
Sprinkler Leakage	6,850	3,045	Ocean Marine	94,775	35,884
Riot and Explosion	24,574	2,819	Motor Vehicle	39,189	23,161
Aircraft	8,283	8,127	Earthquake	5,597	—20
* * *			Inland Marine	23,582	5,046
Springfield F. & M.			Tor.-Windstorm	24,349	4,349
Fire	\$10,001,298	\$6,075,756	Hail	1,007	381
Ocean Marine	166,400	17,102	Sprinkler Leakage	2,283	1,015
Motor Vehicle	1,120,869	629,784	Riot and Explosion	8,191	940
Earthquake	12,009	.....	Aircraft	2,761	2,709
Inland Marine	573,753	299,253	* * *		
Tor.-Windstorm	879,575	129,889	Columbia, N. J.		
Hail	267,428	89,352	Fire	\$ 419,688	\$ 265,523
Sprinkler Leakage	28,703	9,284	Motor Vehicle	32,614	18,835
Riot and Explosion	32,656	5,865	Earthquake	885	.....
Aircraft	6,967	6,879	Tor.-Windstorm	43,642	9,284
Other Lines, Rain	24,060	16,287	Hail	3,242	838
* * *			Sprinkler Leakage	885	326
Security, In.			Riot and Explosion	1,826	188
Fire	\$ 475,098	\$ 202,331	Aircraft	126	7
Motor Vehicle	14,609	6,930	Other Lines	219	5
Earthquake	4,102	.....	* * *	
Tor.-Windstorm	106,082	12,019	Carollan		
Sprinkler Leakage	140	.....	Fire	\$ 612,619	\$ 402,772
Riot and Explosion	412	.....	Earthquake	1,232	.....
* * *			Tor.-Windstorm	36,955	5,086
Phoenix, Eng.			Sprinkler Leakage	6,640	3,006
Fire	\$3,187,620	\$1,510,967	Riot and Explosion	5,059	41
Ocean Marine .....	.....	—266	* * *		
Motor Vehicle	332,125	164,541	Wheeling, W. Va.		
Earthquake	22,065	.....	Fire	\$ 332,284	\$ 200,030
Inland Marine	24,050	5,513	Tor.-Windstorm	10,735	1,098
Tor.-Windstorm	133,327	24,170	Sprinkler Leakage	433	287
Sprinkler Leakage	17,426	4,342	Riot and Explosion	981	27
Riot and Explosion	11,069	1,513	* * *		
Aircraft	910	109	Virginia F. & M.		
* * *			Fire	\$1,116,025	\$ 811,586
N. Y. Underwriters			Motor Vehicle	11,314	9,455
Fire	\$ 893,365	\$ 456,034	Earthquake	3,285	1
Ocean Marine	102,645	45,055	Tor.-Windstorm	41,267	4,072
Motor Vehicle	49,199	28,284	Sprinkler Leakage	1,237	972
Earthquake	1,565	.....	Riot and Explosion	1,663	86
Inland Marine	5,337	2,655	* * *		
Tor.-Windstorm	44,729	8,143	Tennessee		
Hail	1,525	134	Fire	\$ 50,411	\$ 12,615
Sprinkler Leakage	5,615	776	Tor.-Windstorm	527	.....
Riot and Explosion	3,995	203	* * *		
Flood	147	.....	Swiss Reins.		
* * *			Fire	\$2,433,489	\$1,654,919
L. & L. & G.			Motor Vehicle	7,576	9,274
Fire	\$8,322,926	\$4,076,016	Earthquake	17,375	.....
Ocean Marine	127,203	57,098	Inland Marine .....	.....	40
Motor Vehicle	628,899	370,581	Tor.-Windstorm	61,454	9,498
Earthquake	89,560	—320	Sprinkler Leakage	9,948	2,969
Inland Marine	135,533	46,788	Riot and Explosion	9,019	1,184
Tor.-Windstorm	389,579	68,826	Aircraft	572	5,574
Hail	16,111	6,095	* * *		
Sprinkler Leakage	36,531	16,242	St. Louis F. & M.		
Riot and Explosion	131,064	15,033	Fire	\$ 67,989	\$ 9,106
Aircraft	44,178	43,342	Motor Vehicle	3,739	778
* * *			Inland Marine	1,163	261
Imperial Assurance			Tor.-Windstorm	20,977	408
Fire	\$1,037,179	\$ 461,232	* * *		
Motor Vehicle	87,766	42,659	Preferred Risk, Kans.		
Earthquake	5,971	.....	Fire	\$ 120,440	\$ 277,452
Inland Marine	6,244	1,429	Motor Vehicle	18,412	14,707
Tor.-Windstorm	36,251	6,266	Earthquake	1,101	.....
Sprinkler Leakage	4,910	1,126	Inland Marine .....	.....	37
Riot and Explosion	3,055	392	Tor.-Windstorm	17,608	5,199
Aircraft	265	28	Hail	1,850	861
* * *			Sprinkler Leakage	—730	607
Indem. Mut. Assur., N. Y.			Riot and Explosion	2	706
Ocean Marine	\$ 282,786	\$ 154,796	Other Lines	63	.....
Motor Vehicle	156,899	88,261	* * *		
Inland Marine	190,834	139,972	La Fayette		
* * *			Fire	\$ 123,359	\$ 49,262
			Tor.-Windstorm	5,679	546

How Do You Stand?

IT is not enough for your own agents to know that your company is "all right". The public gets its impressions of any company from the whole body of agents and brokers, including thousands who do not represent it, and yet are answering inquiries about it.

The agency list of any company is really very small compared to the total number of agents and brokers in the United States. It is assumed that a company stands well with its own agents, but how does it stand with the thousands of others who do not represent it, but from whom the public is most likely to get its impressions?

After all, if an assured wants to get an unbiased opinion of a company, that opinion is sought among those not representing the company. Those representing it are known to be prejudiced in its favor.

How do you stand among the agents and brokers of the country that do not represent you? What do they say about you? What have you said about yourself in the advertising pages of The National Underwriter? Are you "well and favorably known" to them through the advertising you have done, or do they have to hesitate and stall when your name is mentioned?

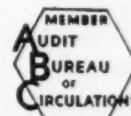
If they do it is costing you money. It is costing you a great deal more than the money you think you are "saving" by not advertising in The National Underwriter. The progress of a company that is unknown to the rank and file of agents and brokers is slow and difficult—against the current. No company should impose this extra burden upon itself when it can be removed by steady advertising in The National Underwriter.

(Number 16 of a series devoted to the merits of National Underwriter advertising)

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

'Way Down South and The Dixie



Wilmington's 300 year old live oak
Christmas tree takes National prize

WILMINGTON North Carolina

THE spot which is now Wilmington, N. C. was first settled in 1730 under the name of New Liverpool. In 1732 it was changed to New Town, or Newton, and in 1739 was given its present name in honor of Spencer Compton, Earl of Wilmington.

It has figured prominently in history. It offered armed resistance to the Stamp Act in 1765 seven years prior to the Boston Tea Party; in 1775 it was captured by Col. Ashe, and the royal governor was forced to leave; in 1781-2 it was occupied by the British—Cornwallis making it his headquarters; and during the war between the States, it was the most important port of the South. Although frequently attacked, it resisted capture until 1865.

Today it is an important commercial city because of its varied resources. Not only is it the chief seaport of North Carolina, but it is in the heart of a rich agricultural district. While prominent in various industries, it is one of the largest fertilizer distributing ports in the country. Molasses, sugar, jute, and chemicals used in making fertilizer are the principal imports; which, together with exports consisting of the finished fertilizer, tobacco and cotton, reach a value of approximately \$75,000,000 annually.

It is the headquarters of the Atlantic Coast Line Railroad; Division Headquarters of the Seaboard Air Line Railway; and is the home town of Colonel Walker Taylor. It has a municipal airport; many churches; and a fine public school system, all of the school buildings being of brick.

The DIXIE
FIRE INSURANCE COMPANY
Greensboro, N. C.
Organized 1906
ONE OF THE AMERICAN GROUP

NEWS OF THE COMPANIES

North British Group Figures

Extracts From the Annual Statements
of the Five Companies in
the Fleet

The North British & Mercantile group has issued the annual statements. The North British shows assets \$17,029,968, premium reserve \$7,837,883, loss reserve \$1,183,095, security depreciation reserve \$2,235,392, surplus \$5,284,370. The other companies are as follows:

Homeland—Assets \$2,440,091, premium reserve \$438,174, security depreciation reserve \$211,957, capital \$1,000,000, net surplus \$737,262.

Pennsylvania Fire—Assets \$16,108,115, premium reserve \$7,109,463, loss reserve \$862,211, security reserve \$1,688,595, capital \$1,000,000, net surplus \$5,168,554.

Commonwealth — Assets \$7,131,657, premium reserve \$2,592,756, security reserve \$692,130, loss reserve \$374,509, capital \$1,000,000, net surplus \$2,343,969.

Mercantile — Assets \$6,947,753, premium reserve \$2,670,905, loss reserve \$359,257, security depreciation reserve \$639,152, capital \$1,000,000, net surplus \$2,152,975.

The net surplus in all companies is the same as though actual market values had been used as of Dec. 31.

Firemen's in Annual Report

Parent Company Has Assets \$43,737,506;
Net Surplus \$13,510,822; Premium
Reserve \$9,534,666

The Firemen's of Newark in its annual statement reports assets of \$43,737,506; premium reserve \$9,534,666; loss reserve \$1,261,680; net surplus \$13,510,822; capital \$18,795,380.

Capital of the Girard is \$1,000,000, net surplus \$2,034,545; Mechanics capital \$600,000, net surplus \$1,226,248; National Ben Franklin capital \$1,000,000, net surplus \$1,563,520; Superior capital \$1,000,000, net surplus \$1,603,338; Concordia capital \$1,000,000, net surplus \$1,751,660; Capital, net surplus \$511,958, capital \$300,000; Milwaukee Mechanics, capital \$2,000,000, net surplus \$4,967,756.

Fire Association Group Reports

The Fire Association in its annual report shows assets \$22,405,878; premium reserve \$10,453,253; contingency reserve \$1,100,000; capital \$5,600,000 and net surplus \$3,152,096.

The Reliance shows assets of \$1,835,738; premium reserve \$315,623; contingency reserve \$50,000; capital \$1,000,000 and net surplus \$366,929.

The Victory shows assets of \$1,647,342; premium reserve \$236,308; contingency reserve \$50,000; capital \$1,000,000 and net surplus \$305,122.

Fire Department Threatened

Although the staff of the Chicago fire department has not been curtailed, insurance men are watching closely the recommendation of Mayor Cermak, now before a city council committee, to make drastic reductions in the personnel of departments. He recommends the abolition of all battalion chiefs and the retirement of some 200 firemen.

Miscellaneous Notes

Andrew Phillips, local agent of Wyomere, Neb., died in the veterans' hospital at Lincoln, where he had gone for treatment.

J. S. Howe, owner of a local agency at Auburn, Neb., has purchased the Clarence Castner agency. Mr. Castner retires from insurance work to devote all his time to banking.

Results of the Year Given

Some Figures from the 1931 Operations
of the London & Lancashire
Fire Group

The London & Lancashire group reports the following results for the year:

COMBINED RESULTS

Net premiums.....	\$ 6,558,513
Losses	
Incurred	\$3,025,988 (46.14)
Loss Exp....	159,270 (2.43)
Taxes	
Incurred	331,879 (5.06)
Other Exp....	3,109,394 (47.41)
Trade loss.....	(1.04) \$ 68,018
Decrease in reserve...	456,844

Underwriting profit..(5.93) \$ 388,826
Decrease in premiums, \$311,965.

* * *

LONDON & LANCASHIRE

Net premiums	\$ 3,102,091
Losses	
Incurred	\$1,390,602 (44.83)
Loss Exp....	69,455 (2.24)
Taxes	
Incurred	143,868 (4.64)
Other Exp....	1,443,568 (46.53)
Trade profit.....	(1.76) \$ 54,598
Decrease in reserve...	132,473

Underwriting profit..(6.03) \$ 187,071
Decrease in premiums, \$60,295.

* * *

ORIENT

Net premiums.....	\$ 2,149,861
Losses	
Incurred	\$1,020,349 (47.46)
Loss Exp....	51,873 (2.41)
Taxes	
Incurred	108,420 (5.04)
Other Exp....	1,045,858 (48.65)
Trade loss.....	(3.56) \$ 76,639
Decrease in reserve...	164,957

Underwriting profit..(4.11) \$ 88,318
Decrease in premiums, \$165,033.

* * *

LAW UNION & ROCK

Net premium.....	\$ 882,069
Losses	
Incurred	\$ 405,458 (45.91)
Loss Exp....	23,660 (2.68)
Taxes	
Incurred	52,261 (5.92)
Other Exp....	432,912 (49.03)
Trade loss.....	(3.54) \$ 31,222
Decrease in reserve...	96,308

Underwriting profit..(7.37) \$ 65,086
Decrease in premiums, \$74,371.

* * *

SAFEGUARD

Net premiums	\$ 423,492
Losses	
Incurred	\$ 209,579 (49.49)
Loss Exp....	14,282 (3.37)
Taxes	
Incurred	27,330 (6.45)
Other Exp....	187,056 (44.17)
Trade loss.....	(3.48) \$ 14,755
Decrease in reserve...	63,106

Underwriting profit..(11.42) \$ 48,351
Decrease in premiums, \$12,206.

National Union Reinsures Birmingham of Pittsburgh

The outstanding liability of the Birmingham Fire of Pittsburgh, which has been under the control of the National Union since 1926, has been reinsured in the National Union. The Birmingham was started in 1871. In 1926 the National Union acquired 3,867 of its 4,000 shares. As of Dec. 31, 1930, total assets were \$604,743; unearned premiums, \$138,237; capital, \$200,000, and net surplus, \$251,873.

Hawes Is Made Secretary

A. C. Hawes, who had served for 13 years as assistant secretary of the Cincinnati Equitable, is made secretary-treasurer, succeeding E. H. Ernest, who had served as secretary from 1899 until his death a month ago. A brother of Mr. Hawes, J. C. Hawes, is in the publication department of the Western & Southern Life.

NORWICH UNION

NORWICH UNION
policies and service
have world-wide
reputation

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
75 Maiden Lane, New York
Hart Darlington, Manager

Eagle Fire Company
of NEW YORK
Incorporated 1806
75 Maiden Lane, New York
Hart Darlington, President
The Oldest New York Insurance Company

NORWICH UNION
INDEMNITY COMPANY
75 Maiden Lane, New York
Hart Darlington, Chairman of the Board
H. L. Callanan, President & General Manager
In NORWICH UNION there is strength

COMPANIES

NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



SIXTY-SECOND ANNUAL STATEMENT

January 1, 1932

Assets

United States Bonds.....	\$ 3,240,750.00
State and Municipal Bonds and Stocks.....	11,947,166.38
Canadian Bonds, Government and Municipal.....	280,980.00
Foreign Bonds	111,750.00
Real Estate	362,750.00
Agents' Balances	810,628.25
Accounts Receivable	224,469.79
Cash in Banks.....	471,765.15
	<hr/>
	\$17,450,259.57

Liabilities

Capital Stock	\$ 3,000,000.00
Unearned Premium Reserve.....	4,974,184.57
Reserve for Losses.....	614,062.85
Reserve for Taxes and Other Liabilities.....	338,374.86
Reserve for Dividends Declared and Unpaid.....	150,487.94
Reserve for Market Fluctuations.....	\$2,325,343.00
Surplus, Dec. 31, 1931, Values.....	6,047,806.35
	<hr/>
Surplus, Convention Values.....	8,373,149.35
	<hr/>
	\$17,450,259.57

NOTE: Bonds and Stocks at Insurance Commissioners Convention valuation.

AFFILIATED COMPANY

Granite State Fire Insurance Company
Portsmouth, N. H.

Report Probable Loss of \$50,000 on Gold Shipment

NEW YORK, Feb. 24.—Marine underwriters today received advices of a probable \$50,000 loss on a gold shipment of \$24,000,000 value from New York to France on the steamship Berengaria. While 426 kegs valued at \$50,000 each were being unloaded at Cherbourg, a sling chain broke and six kegs went to the harbor bottom. Five kegs were salvaged but the sixth keg broke and scattered its contents in the mud. The shipment was fully insured but the excessive amount made this difficult, as \$20,000,000 is usually the limit for which coverage may be obtained from all companies in the world. The rate on such shipments is very low, ranging from 4½ to 5 cents.

New Jersey Local Agents Had Number of Eminent Speakers

Interest at the midyear meeting of the New Jersey Association of Insurance Agents which is being held in Trenton centers about important committee reports, the address of Governor Moore of New Jersey and of insurance leaders. The insurance speakers are L. A. Watson of the schedule rating office of New Jersey; President W. B. Calhoun of the National Association of Insurance Agents; C. C. Hannah, manager of the eastern department of the Fireman's Fund, and G. F. Michelbacher, vice-president Great American Indemnity. The meeting opened with an address by President H. D. Nelson of Jersey City. Secretary H. R. Burr gave his report as well as A. V. Livingston, chairman of the executive committee. There were reports by H. L. Godshall, chairman legislative committee, and Julius Klein, chairman of the committee on agents qualification bill.

New I. U. B. Manual Is Out

The new manual of the Interstate Underwriters Board, which has been thoroughly revised, without, however, effecting fundamental changes, is being distributed. Included are digests of many rulings promulgated in recent months by the governing committee. Copies of the monthly average form, daily average form and multiple location form are included.

Agency Agreement Pondered

NEW YORK, Feb. 24.—Fire company executives have reviewed the form of agency agreement determined upon at a joint gathering of managers and agents at Detroit, but are pledged not to discuss it until it comes before the National Association of Insurance Agents at the semi-annual meeting in Cleveland, March 22-24.

Nashville Fire Hits College

NASHVILLE, TENN., Feb. 24.—The most destructive fire Nashville has had in three years, took place Friday afternoon when historic Wesley hall on Vanderbilt University campus was completely gutted, causing a total loss of building and contents estimated at around \$400,000. The Fire Companies Adjustment Bureau will handle the whole loss, according to statement of G. B. Raine, manager of southern branch. A total schedule of \$1,800,500 insurance is carried on what is known as the west campus property, comprising 62 items. Wesley hall was carried at \$145,000 and contents, furniture, fixtures, etc., at \$17,500. The trustees estimate the loss as total, or for the full amount of \$162,500.

Hanover's Premium Reserve

In a typographical error in giving the figures of the Hanover Fire last week the reinsurance reserve was stated to have decreased \$2,000,000. As a matter of fact the falling off in reserve is \$250,-

000. A year ago the reinsurance reserve was \$5,023,265. On Dec. 31 it was \$4,771,406.

J. N. Shewmon Is Advanced

Jacob N. Shewmon has been advanced from assistant treasurer to treasurer of the Indiana Lumbermen's Mutual of Indianapolis. He has been with the organization since 1907. He has been chief accountant and office manager.

CHICAGO AGENTS ON DELEGATION

R. I. Reid, Chicago manager for the Crum & Forster companies, and H. C. Brummel of Brummel Brothers, local agents, were members of the committee that called on former Attorney General E. J. Brundage of Chicago, insisting that he become a candidate for governor before the Republican primaries.

COST ATTITUDE CRITICIZED

As president of the New York City Association of Local Agents, G. F. Kern has addressed a tart letter to General Manager J. A. Beha of the National Bureau of Casualty & Surety Underwriters on the subject of acquisition costs. He maintains that the term should be scrapped, and insists the "companies assert their constitutional rights; take back the prerogatives surrendered to insurance departments; play fair with the public and one another, and obey the law, when there can be no intervention by the states."

Late News from the Casualty Field

Mutuals, Stock to Use Same Automobile Rates in N. Y.

Conferences have been held between the National Bureau of Casualty & Surety Underwriters and National Association of Mutual Casualty Companies looking to the use of noncompetitive automobile rates in New York state. The National Association of Mutual Casualty Companies was slow in getting out its automobile rates this year and as a consequence the mutuals have been charging rates lower than the 1931 stock company rates after the 1932 stock rates were out and before Commissioner Van Schaick ordered those new rates deferred until March 1 and directed the filing of modified rates and application of the demerit plan.

Mutuals and stock companies use the same compensation rates and it is not unlikely that uniformity will be further extended.

George Douaire Held Up

George F. Douaire, manager of the Employers Liability, Chicago department, and Mrs. Douaire, were the victims of a holdup in front of their home in that city Tuesday night. The bandits got in the taxicab and while one covered the driver the others robbed Mrs. Douaire of her jewelry and took \$50 and a watch from Mr. Douaire.

R. D. Henderson Promoted

R. D. Henderson, formerly with the Kansas City branch of the Aetna Casualty, has been promoted to assistant manager of the Des Moines branch.

Lloyds Casualty

NEW YORK, Feb. 24.—Lloyds Casualty statement reveals total assets Dec. 31 of \$4,493,931; capital \$1,000,000; net surplus \$1,096,630. Liabilities embrace: Claim reserve \$1,549,213; premium reserve \$645,036; other liabilities, \$203,052. In 1931 the company culled its business, reducing premium income from unprofitable territory and classes by over \$1,000,000.

These articles appeared recently in The National Underwriter. They show the seriousness of the collection problems agents face.

Some Remedy Is Needed

LOCAL agents are spending from 50 to 75 percent of their time trying to collect money from people they have insured. In addition some of the people in their office are giving considerable time to this same work. The time of field men given to collection of unpaid balances from agents is 50 percent of the period given to their work. The work of field men is being supplemented by others at headquarters who are trying to make collections.

Would Suspend Agents Who Are Delinquent in Payment

ALTOGETHER this story...
MOUNTAIN FIELD CLUB ACTS
Strong Rules Recommended to Supervisory Committee—Immediate Adoption Sought

DENVER, Feb. 3.—The Mountain Field Club after spirited debate Monday adopted resolutions regarding and to delinquent agents, credits and counts recommended for adoption by the supervisory committee as a preliminary measure.

Books Closed but Little Letup in Collection Work

VITAL REFORMS CONSIDERED

Suggestion Made to Assign Disinterested Representatives to Act in Delinquent Agencies

The customary relief of field men from collection duties after the first of the year is not now apparent. Many of the managers have not relinquished at least their interest in collections and are insisting that the special agents maintain their momentum in the collection, developed at the end of this year. The collection projected today as a seasonal issue. Many determined to the collection December.

THERE IS Relief from Collection Worry

PICK up any insurance paper and note the amount of space devoted to collections. The collection problem is still the most trying one facing agents and will continue until agents themselves learn to solve it by financing their assureds premiums.

The National Guarantee & Finance Co. PREMIUM BUDGET PLAN provides the Relief from Premium Collections which agents desire. This tested plan is available to every licensed agent of any fire or casualty company at no cost to himself.

The agent collects the down payment. We collect the balance. The plan is so simple and yet so complete that it merits the immediate approval of all who use it.

Our many years of experience in the finance business enables us to solve the collection problems of insurance agents. Ask your own company about us or write directly for list of insurance and banking references. If you are interested in saving yourself a lot of worry and trouble you now experience on premium collections, you will fill in and return to us the coupon below.

If you have many uncollectable old balances inquire about our special Old Balances Service available at no cost.

THE NATIONAL GUARANTEE and FINANCE COMPANY

John E. Davis, President
306 Yuster Bldg.

COLUMBUS

» «

OHIO

The National Guarantee & Finance Co.
306 Yuster Bldg. Columbus, Ohio
Please send me complete detail of your Premium Budget Plan.

Name

Address

City

State

N.G.F.
PREMIUM BUDGET PLAN
N.G.F.

is available to every fire and casualty agent at absolutely no cost to himself. This plan does the following for the agent:

1. You receive your full premium and commission at once even though you only received a down payment of about 30%.
2. The time and money you save on collections can be put to immediate use in building up old accounts and developing new business.
3. Your customers are given the protection they need and the accommodations they require at a very small cost.
4. You can retain and increase your volume of term business.

INDEPENDENCE INDEMNITY COMPANY

J. Horace Shale, President

FINANCIAL STATEMENT

December 31, 1931

ASSETS

Real Estate	\$ 665,761.05
*Investments	7,153,220.44
Cash on Hand and in Banks...	509,504.96
Premiums in course of collection less than ninety days....	2,001,488.19
Reinsurance receivable on paid losses	326,756.24
Secured salvage assets.....	700,418.13
Accrued interest and other admitted assets	888,008.57

\$12,245,157.58

LIABILITIES

Reserve for Losses and Adjustment Expense	\$5,244,167.00
Reserve for Unearned Premiums	2,776,851.17
Reserve for reinsurance.....	234,796.47
Reserve for commission.....	398,060.33
Reserve for bills and taxes.....	732,187.15

Total

Capital

Surplus

Surplus to Policyholders.....

\$12,245,157.58

*Insurance Commissioners Convention Values.



Home Office

INDEPENDENCE
SQUARE
PHILADELPHIA

AS SEEN FROM CHICAGO

DISAPPOINTED ON PREMIUMS

Companies hoped that there might be some increase in premiums in the central west this year although so far there is not much indication of it. They are disappointed that there is not more snap and spice in the producing field. Reinsurance reserves decreased last year which helped to some extent the shrinking surplus. If, however, there is a further decrease in premiums this year, the expense ratio will go still higher. Executives have been pondering over the expense element although it would seem that every item of expense is hewed down to rock bottom. In spite of the times the details of the business continue as heavy as before. In some cases there is even more detail due to receiverships, trusteeships, etc., which involve change in title. Additional work is required and there is no return. Every office has a less number of employees than formerly and yet the staff is doing more work. Executives realize that company efficiency may be impaired by cutting too deeply.

"INDEX" MOVES TO CHICAGO

The "Insurance Index," which has been published in New York City, has moved its headquarters to 330 South Wells street, Chicago. It was purchased in the fall by J. E. Dunne. W. E. Underwood of New York remains as editor. C. W. Dunne, son of J. E., is the advertising representative, being located in Chicago. R. L. Heaton is manager.

BASKETBALL ENTERTAINMENT

The Chicago Insurance Athletic Association will give an evening of entertainment at the Larrabee Y. M. C. A. in Chicago next Saturday evening. There will be basketball games, dancing, bridge and other sports. The basketball teams contesting will be Moore, Case, Lyman & Hubbard, Chicago Board, James S. Kemper & Co., Employers Liability, Hartford Fire, Marsh & McLennan, Zurich and America Fore. W. F. Kuffel is president of the organization. The arrangements committee consists of R. H. Bishop of the Zurich, J. Hurley, Marsh & McLennan, and W. Sohm of Moore, Case, Lyman & Hubbard. Members of the families will be present on this occasion.

IN CHARGE OF NEW WORK

H. Walter Hanson, Jr. and Fred P. Hutchison have been placed in charge of the administration of the new agents and brokers' qualification license law by the Illinois department. Mr. Hanson is chief clerk of the department.

ROYAL EXCHANGE TRANSFERS

During a recent trip through the central west in the course of which he visited Illinois, Indiana, Ohio and Nebraska, Arthur Waller, assistant manager of the Royal Exchange, transferred the Chicago agency from O. A. Stoffels Co. to R. W. Hosmer & Co. Representation of the State Assurance, one of the Royal Exchange group, for which Hosmer & Co. previously were agents, will be announced later.

NET RECEIPTS TAX LITIGATION

Circuit Judge Pomeroy of Chicago has taken under advisement the case of the 17 fire companies which declined to compromise in Cook county's attempt to compel payment of the net receipts tax under section 30 of the Illinois law. The present case was on the facts, whereas previous litigation had been on the law. During the case, Herman Seeley, tax ferret, whose agitation originally started the drive for the collection of these controversial taxes, was placed on the stand and examined by Fred D. Silber, who represents the companies. Mr. Silber, in his argument,

emphasized the fact that Seeley had a financial interest in collection of the taxes and that they were virtually spread under his direction. And even though spread in that manner, Mr. Silber argued, they were not treated uniformly in comparison with other classes of property, insurance premiums being entered at 100 percent while other property was entered on a 60 percent basis.

EFFECT OF BANK FAILURES

Following the various bank failures in the so-called class 2 or outlying districts of Chicago, there has been much shifting of expirations and considerable derangement in insurance. Every bank either had an insurance agency or an insurance connection. When a receiver was appointed he usually ignored the insurance manager and either sold or gave the expiration to someone else. Then again when a bank failed insurance solicitors, if they had any intimation as to who might be policyholders, went after them vigorously. A receiver would not allow the insurance man to copy any records. Therefore there has been much change in the expiration list. Policyholders found that they were being solicited by people with whom they were not acquainted or had not come in contact with before.

USING SAFETY VAULTS

A number of local agents say that their premiums on all-risk jewelry floaters is reduced largely because people who have been insuring valuable pieces of jewelry are keeping them in a safety deposit box and evidently they are not being worn.

R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, addressed the joint convention of the Illinois Hotel Association and the Chicago Hotel Association at a luncheon Friday of last week in Chicago.

Changes in the FIELD

McLaren Advanced in Indiana

Crum & Forster Man Is Appointed
State Agent to Succeed
C. C. Iuppenlatz

E. E. McLaren has been appointed Indiana state agent for the Crum & Forster organization with offices in the Fletcher Trust building, Indianapolis. He succeeds C. C. Iuppenlatz, who was recently transferred to Wayne county, Mich. Mr. McLaren has been in the service of the Crum & Forster organization for several years and has been associated with Mr. Iuppenlatz.

D. W. Perry

D. W. Perry, who has been special agent in Wisconsin for the Fire Association for about a year, has been transferred to Minnesota to assist State Agent R. W. Schimmel. Mr. Perry is a graduate of the Northwestern University fire insurance class. He was trained in the Fire Association office in Chicago and was then given assignments to various fields before being sent to Wisconsin. That state is now under the exclusive jurisdiction of A. G. Meridith.

Charles Cotman

Charles Cotman, formerly of Texas, has been appointed Alabama state agent for the National Fire with headquarters in the Comer building. He succeeds Hugh Powell, Atlanta, Georgia state agent for the National Fire, who formerly covered Alabama also.

Inter-Ocean Reinsurance Company

Inter-Ocean Building, Cedar Rapids, Iowa

CONDITION DECEMBER 31, 1931

ASSETS	LIABILITIES
Bonds (Dec. 31 market value) .....\$2,475,294.08	Unearned premiums .....\$2,461,724.83
First mortgage loans..... 708,060.00	Reserve for losses..... 258,403.68
Stocks (Dec. 31 market value) 167,871.51	Reserve for taxes..... 68,232.07
Real estate 124,343.58	Funds held for treaties..... 58,215.56
Accrued interest 108,769.42	All other liabilities..... 47,872.54
Due from insurance companies 375,860.75	Voluntary reserve 63,786.02
Cash in banks..... 319,296.25	
	<hr/> \$2,958,234.70
	Capital .....\$500,000.00
	Surplus 821,260.89
	Treatyholders' surplus ....\$1,321,260.89
	<hr/>
Admitted assets .....\$4,279,495.59	\$4,279,495.59

THE PROGRESS OF TWELVE YEARS

	Admitted Assets	Premium Income	Unearned Premium	Surplus
1920	\$1,186,144	\$ 117,900	\$ 119,482	\$ 248,178
1924	2,319,804	1,001,284	946,339	443,773
1926	2,569,808	1,372,633	1,461,475	450,404
1928	3,261,108	1,662,517	1,548,848	832,635
1930	4,071,872	2,535,889	1,962,677	1,047,906
1931	4,279,496	3,015,241	2,461,725	821,261

REINSURANCE OF FIRE AND ALLIED LINES

RICHARD LORD, President

ROY E. CURRAY, Secretary

KARL P. BLAISE, Ass't. Sec'y.

Consider your moral obligation to your assureds

THE future success of many insurance agents is being laid today. The manner in which you look after your assured's interest in these trying times will largely determine just where he will place his business later. You must be properly informed yourself to satisfactorily advise your assured. If he is thinking of reducing his insurance, as many are doing these days, you must be on the job and show your client some of the fallacies of reducing insurance without first determining by means of an appraisal just how much insurance is needed to properly protect the property using today's new values.

What is an Appraisal?

It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

Its Advantages

1st—It discovers insurable values that have long been written off the books through unscientific depreciation. 2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

Don't allow your assured to arbitrarily reduce his insurance to a dangerous point because if a loss does occur your client will more than lose all he thought he was saving under reduced premiums.

You have a moral obligation to your assured in such situations, Mr. Agent. Think of your client now and of your own future. Then insist on a Lloyd-Thomas appraisal! Without obligating you in any way we will be glad to explain why Lloyd-Thomas appraisals will help you in cases of readjustment of insurance on property. Inquire today.

The Lloyd-Thomas Co.

SAN FRANCISCO
DES MOINES
CLEVELAND
INDIANAPOLIS
PITTSBURGH
MINNEAPOLIS
CINCINNATI



CHICAGO NEW YORK
4411 Ravenswood 120 Broadway
BERLIN, GERMANY
LONDON, ENGLAND

MEMPHIS
DETROIT
MILWAUKEE
SEATTLE
LOS ANGELES
ST. LOUIS
DENVER

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE
ASSURANCE

THE STATE
ASSURANCE CO., Ltd.

CAR and GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

NEW YORK

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SIX MONTHS' FIGURES

Fire premiums received on risks in Manhattan and the Bronx during the last six months of 1931 are estimated at \$10,350,000, as compared with \$11,952,688, in the last six months of 1930.

The figures for the leading companies for the last six months of 1931 and of 1930 are given below:

	1931	1930
Home	\$491,407	\$562,589
Great American	464,569	532,485
Continental	405,811	400,055
Globe & Rutgers	288,706	325,132
National Liberty	253,811	243,676
North River	259,643	279,234
United States	246,429	303,958
American Equitable	168,247	207,992
Niagara	166,714	184,573
Commercial Union	159,887	184,277
L. & L. & G.	158,973	177,201
London & Lancashire	145,043	155,356
Automobile	141,780	158,116
Royal	140,642	128,598
North America	140,421	275,259
North British & Merc.	132,964	158,392
National, Hartford	118,938	140,291
Aetna	118,643	154,664
Sun	117,421	104,644
Phoenix, Hartford	107,830	124,719
Phoenix, London	106,400	121,356
Concordia	105,773	168,198

Company groups received premiums in the last half of 1931 and 1930 as follows:

Group	1931	1930
Home	\$2,699,711	\$3,120,796
America Fore	1,829,688	2,195,918
Crum & Forster	1,732,590	2,211,561
Great American	1,247,069	1,512,510
Corroon & Reynolds	1,017,674	1,639,783
Royal-Liverpool	1,108,564	1,383,220
Firemen's	837,184	1,023,477
North America	797,211	1,000,045
Globe & Rutgers	730,407	826,017
North British	713,881	733,958
Coml. Union	686,402	723,859
London & Lanc.	553,035	693,926
Phoenix, Eng.	441,865	398,117
Phoenix, Ct.	405,963	466,228
Automobile	400,530	459,770
National, Ct.	393,488	381,281
Hartford Fire	349,860	418,686
Fire Assn.	322,694	252,829
Sun	315,482	324,394
Springfield F. & M.	302,697	269,271
Aetna	285,006	418,477
Prellinghuysen	283,486	321,406
Yorkshire	258,121	143,275
Tokio	240,612	306,693
St. Paul	234,031	290,741
Fireman's Fund	233,544	331,591
Agricultural	181,638	198,579
Glens Falls	171,884	219,637
Pieper	169,344	223,000
Prov. Washington	167,135	129,295
Norwich Union	165,843	198,924
American, N. J.	158,844	284,279
Dubuque	157,388	212,315
Scottish Union	156,196	227,458
Meserole	153,598	177,612
Royal Exchange	153,656	176,047
Merchants Fire	148,864	212,810
Hanover	139,916	166,586
Northern, Eng.	137,125	166,602
Wenstrom	122,542	138,361
Boston	104,993	120,959
Atlas	101,164	125,532
Lumbermen's	57,316	52,211
New Hampshire	37,597	48,314

The leading agencies in premiums for the last six months of 1931 were Hoey & Ellison, \$406,890; Central Fire Agency, \$374,393; F. H. Ross Agency, \$285,325; Wallace Reid & Co., \$266,651; W. S. Brown & Co., \$219,011; McDaniel, Cloud & Maeser, \$217,357; Fowler & Kavanagh, \$212,808; Ogden & Fay, \$202,379; W. H. Koop, \$198,277; Hall & Henshaw, \$185,486; W. L. Perrin & Son, \$180,811; Zweig, Smith & Co., \$167,116; C. W. Sparks & Co., \$144,098; R. R. McFalls & Co., \$140,033; Lockwood Agency, \$134,898; Fuller & Kern, \$129,037; Lewis & Gendar, \$125,002; Jones & Whitlock, \$120,044; Mills & Honness, \$116,427; O'Brien & O'Brien, \$111,673; Shevlin Agency, \$106,380.

OPPOSE SHINGLE ROOFS

The New York City Association of Local Agents has followed the example of the National Board and various civic organizations in opposing the suggested amendment to the city's building code, permitting use of wood shingle roofs outside the fire limits.

MAP COMPANY ELECTIONS

Charles E. Chase, who recently retired as chairman of the board of the Hartford Fire, has been made honorary chairman of the Sanborn Map Company. He has been chairman of that concern. Sumner Ballard, president of the International, and United States manager of the Skandinavia, has been elected vice-president of the map com-

pany, succeeding the late John A. Forster, former president of the North River. Mr. Forster's place on the board has been taken by J. Lester Parsons, president of the North River.

UNPAID PREMIUMS INCREASE

An increase in the number and amount of unpaid earned fire and casualty premiums for September was reported by the Central Bureau of New York City to the New York department.

QUAID EXPOUNDS THEME

William Quaid, executive vice-president of the Southern Fire, in an address under the auspices of the Insurance Society of New York, expounded the theme that insurance is not an intangible—that it is a commodity, a product of the high speed, mass production, manufacturing concern. About 150 attended.

RITCHIE WITH FORSTER & ACKER

S. C. Ritchie, who has been assistant secretary of the Importers & Exporters, has joined the Forster & Acker agency of New York City as production manager. Before joining the Importers & Exporters more than a year ago, Mr. Ritchie was in the metropolitan department of the Home of New York for 25 years.

BARBER & BALDWIN NAMED

Barber & Baldwin have been appointed aviation underwriting agents for the United States and Canada by the Great American and Great American Indemnity.

Capt. Conway Was National Figure

(CONTINUED FROM PAGE 5)

ment member in the International Association of Fire Chiefs and in the National Fire Protection Association made him the best known municipal fire prevention leader in the United States. His work was recognized during his life time when in 1925, a testimonial dinner in Cincinnati was attended by more than 400 leading citizens of Cincinnati.

His son J. J. Conway, Jr., is an adjuster for the Western Adjustment in Cincinnati. Captain Conway was a brother-in-law of John F. Ankenbauer, president of the Cincinnati Fire Underwriters' Association.

Great Factor in Fire Prevention

Captain Conway was one of those remarkable men ever associated with fire insurance. To the citizens of Cincinnati, he was far more than superintendent of the salvage corps. He furnished the inspiration and leadership for the most effective municipal fire prevention work which has been done in the United States. The example of the Cincinnati record, made as the result of this leadership, became a beacon light for fire prevention workers throughout the United States and Canada.

Captain Conway was one of those rare men who elevate their positions far beyond normal limits. He conducted himself as the fire prevention guardian of Cincinnati and made himself a competent leader and advisor in every field which has a relation to the prevention of fire loss. He often said that community fire prevention success could come only when every effort was being made to stop every fire waste leak.

Stopped the Leaks

He compared stopping the fire waste to cutting off 15 or 20 leaks in a water pipe. Among the causes for these leaks, he listed poor building laws, deficient water supply, bad underwriting, careless adjustments, appointment of unqualified agents, unintelligent fire

fighting, perfunctory building inspections, non-use of automatic sprinklers and other fire protective devices, incompetent watchmen, ignorant foremen and workmen, hampering legislation, and public indifference to fire safety. For these and many other leaks, Captain Conway had practical remedies which he tirelessly applied. He had special contacts and methods for each. He kept careful records of all facts and was an analyst of keen ability. Out of his analysis he brought to light significant trends and then suggested and carried out effective remedial measures.

Precedents never bound him. Initiative and more initiative was his dominant trait. Radiating enthusiasm, he always had untouched reserves of energy. He was fearless. He was a hard fighter but always fair.

When men got to know Capt. Conway, they found in him also a loyal and lovable friend. His criticisms were never muffled. He gave one his forthright opinion. But when one knew the man, he knew there was nothing personal in his sledgehammer come backs.

Captain Conway rendered the companies and public a great service in his investigation of questionable losses. He was death on firebugs. Very frequently he was able to secure information through his avenues of inquiry that could not be gotten in any other way. His services were called upon by insurance companies, field men and agents in a hundred different ways. He stepped far beyond his character as head of the salvage corps and made himself useful in many lines. He was frequently called upon to make addresses.

"Affiliates" Used for Speculation

(CONTINUED FROM PAGE 3)

another independent institution such as a bank or a railroad even though the latter had a limited interest in insurance companies including the investing company.

"Certain companies have seized upon the somewhat general language of the exception as authority for the creation of subsidiaries which invest in insurance stocks and which are claimed to be without the 50 percent limitation. Such an interpretation would greatly weaken the statute. While the practice is not widespread any doubt as to its illegality should be removed by an amendment to subdivision 4 which will include the insurance stocks of all company affiliates within the category of direct investments by the investing company."

Loss Problem in Missouri Tackled

(CONTINUED FROM PAGE 5)

questionnaire in duplicate, one copy for the daily report and one for agent's copy of policy, for all existing and for all subsequent policies.

Among the questions in the questionnaire are: Have you inspected the risk personally? When? Are you personally acquainted with assured? How long have you known him? What is his occupation or business? Does he meet his obligations promptly? What is his general reputation? How long in business at this location? Where previously in business? Do you deal directly with assured in writing this policy? If not, for whom do you write it? Is the building in good repair? Is it a paying property? When built? Is assured sole and unconditional owner? Is it on leased land? Date and term of lease? If policy covers building, give names of occupants and nature of occupancy of each. If policy covers contents, state name of owner of building and names of other tenants and nature of occupancy of each. Material of chimney, if metal, how old? Any brick-on-edge flues? Kind of foundation?

What manufacturing, if any, in building? Is risk under protection of water-

works and fire department? If merchandise, what is average amount of stocks? Are books of accounts kept, especially merchandise and cash accounts? How often is inventory taken? Date and amount of last inventory? Is personal property encumbered? For what amount? How payable? State definitely why mortgaged? Is realty mortgaged or otherwise encumbered and for what amount? Has any company declined to write this risk? If so, why? Has assured ever suffered a loss or damage by fire? If so, state particulars. Do you fully recommend the risk and assured? Additional insurance. Names of companies and amounts.

"Insurance Decisions" Now Published by "Rough Notes"

"Insurance Decisions," published by R. M. Chandor, formerly at 80 William street, New York City, has been moved to Indianapolis to be merged with the "Insurance Digest," which appears serially in "Rough Notes" and is distributed annually in book form.

"Insurance Decisions" eliminates all technical matters of law not pertaining to the construction of the insurance point and strips the balance of legal

verbiage, presenting the crux of the case in language readily understandable to the insurance man.

The "Insurance Digest" has been standard for 40 years in law libraries, legal departments and adjusting offices. The combined publication will retain the best of both "Insurance Decisions" and the "Insurance Digest," enlarging the scope and broadening the field.

The method of indexing inaugurated by "Insurance Decisions" will be continued. It is an alphabetical index with the text under headings familiar to all insurance men.

You are Judged by the Companies *You Keep*



LOCAL AGENTS are now being judged by the companies they keep. Recent years have abruptly advanced the financial education of the public. Insurance buyers are demanding intimate details about the financial strength, operation, and reputation for fulfilling contracts of the companies in which their insurance is to be placed. And they are right in doing so.

Boston Insurance Company and Old Colony Insurance Company agents can answer such questions clearly, convincingly and fearlessly.

Our companies are financially strong—our statements show this. Located in New England—we inherit the spirit of conservatism so valuable in these days of uncertainty. We are sound financially and dependable at all times. Perhaps some look upon us as a bit

old-fashioned—a bit deliberate—yet these same qualities have enabled us to build soundly, to plan carefully and to expand safely. Our effort is based essentially on the policy that both our agents and policyholders must be satisfied.

If you feel the need of another company, one whose financial statement can stand the scrutiny of statistically minded insurance buyers—a company which is progressive—a company which writes the many coverages so necessary to an agent's welfare in these days—a company whose seasoned field men are sales slanted and keen—a company whose practical Sales Promotion Department is eager to help agents make more money—then we have something which will interest you. Write to our New Business Department for further information. Today.



BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY

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THE NATIONAL UNDERWRITER

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Associated
Business Papers



National Publishers
Association

Getting the Facts to Agents

LOCAL agents are considerably stirred up in various states over the increases in automobile rates, both on part of the NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS and the NATIONAL AUTOMOBILE UNDERWRITERS CONFERENCE. The agents, of course, are the men out on the firing line and they have to bear the brunt of an unpopular action. When prices all along the line in the general field are falling and costs are going down it is a very difficult matter for an insurance salesman to convince the public that the policies of insurance of any kind should cost more. Naturally there has been some very violent opposition on part of the premium paying public.

In this connection the agents are not sufficiently forearmed. When there is an increase in rate the agents should be educated first as to its necessity. They should be extremely well informed as to the reasons for the action. Certainly insurance companies are not increasing the rates in times like these for the fun of the thing or to try out the public and see whether people will stand for an increase. Some agents undoubtedly are of the opinion that the companies are increasing rates because they have lost so heavily on their investments. That would not be a proper cause for an increase in rate. The investment side of a company is distinct from the insurance side. The public at large would be unfriendly to an attempt to recoup investment losses through a rate increase. The companies must justify their action on their loss experience.

It is unfortunate when an important

move is made of this nature where the agents are so vitally affected that a full explanation is not given so that the agents themselves can intelligently make a defense.

The business situation affects insurance differently from that of the general run of merchandise, services and commodities. In days like the present wages are less. The cost of production is less. The raw stock is costing less. When one goes to a store he realizes that prices are down. Yet insurance is affected in a different way. The economic depression has increased the loss ratio of many classes of insurance. This is due entirely to the effort on part of people to take advantage of their insurance. Some may do so without many qualms. They may throw their conscience more or less in the background. Others have their backs to the wall and they are looking for means of self preservation. Where there is the slightest opportunity for moral hazard to enter, it is accentuated in times like the present. Therefore the claim ratio and claim frequency increase when people are forced to economize to the utmost merely to live. If moral hazard could be eliminated there would be an entirely different story to tell in insurance results. The insurance organizations should bring out these points very clearly to the agents. There should be good and valid reasons for increasing rates. If these rates are justified then the agents should be furnished with the means of defense. Before the premium payers are educated on rate matters, the agents must be.

Learning to Be One's Own Boss

ONE of the hardest tasks a man has to perform is to learn to be his own boss. Most people are accustomed to having their work laid out for them and take orders. Their initiative is seldom called upon. They are not trained to lay out their time and devise a program. After

all there are comparatively few people who are capable of guiding themselves. The employee or workman who supervises himself and does not have to be bossed is usually the one who is selected to be a boss later on. It follows as a logical result.

PERSONAL SIDE OF BUSINESS

President J. B. Levison of the Fireman's Fund is head of the San Francisco Musical Association that finances the San Francisco Symphony Orchestra. The depression has hit orchestras because it has affected the income of guarantors. San Francisco has felt the devastating winds. At one time the indications were that the orchestra could not finish the season. President Levison and his cohorts started a \$175,000 drive. He is said to be the largest individual contributor to the orchestra's support. He believes music makes an ideal hobby for the man engrossed in business affairs. Years ago Mr. Levison played the flute in a symphonic band.

Thomas Dickinson, of Thomas Dickinson & Son, local agents, Glasgow, Ky., died at his home. The agency was formed in 1880, and was formerly operated as Dickinson & Trigg. Ballard Trigg, now state agent in Kentucky for the Rochester American Insurance Company, also president of the Kentucky Field Club, was then a partner. Alex Dickinson, the son in the agency, became a partner some years ago.

George Boyd, member of Root & Boyd, Waterbury, Conn., agency, veteran agent of that city, died at Hollandale, Fla., following an illness of two years. He retired as president of Root & Boyd in January, 1929, when he was made chairman of the board and director. He was born in Bangor, Me., June 6, 1864. He was connected with the largest agency in Bangor and at the same time studied piano and voice at the New England conservatory of music in Boston, and organ in Bangor, becoming well known as a talented organist, singer and singing teacher. Since 1885 he had been a partner in Root & Boyd.

Warren C. Hall, special agent in New Jersey for the Philadelphia Fire & Marine for a number of years, with headquarters in Newark, is seriously ill at his home there. Mr. Hall has been active in the New Jersey field for many years.

George O. Hoadley, manager of the Pacific department of the American of Newark, a brother of Secretary Frederick Hoadley, is now recovering from a severe attack of pleuropneumonia.

Some interesting Lincoln mementos, the property of Thomas B. Donaldson, associate manager of the Eagle Fire, have been on display in a Newark bank. One is a print of the last photograph taken of Lincoln and the other is a bronze cast of Lincoln's hand and a letter from Rutherford B. Hayes in regard to it. They came into the possession of Mr. Donaldson through his father, who received them from President Hayes.

E. P. Goetzinger, Missouri state agent for the Equity Fire of Kansas City, is confined to a hospital there, following a major operation.

David O. Stine of Reedsburg, Wis., state agent for the St. Paul Fire & Marine, was elected grand high priest of the grand chapter of Royal Arch Masons at the annual conference in Milwaukee.

Franklin W. Fort, vice-president Eagle Fire of Newark, will address the North Jersey Association of Credit Men in Newark March 3 on "How Will the Reconstruction Finance Corporation Help Business?"

Guy W. Andrews, well known insurance man, Sioux City local agent and for many years a leader in the Iowa

Association of Insurance Agents, is suffering from pneumonia at a Sioux City hospital, but is reported to be improved.

T. W. Garrett, Jr., head of the Garrett General Agency, Kansas City, Mo., is celebrating the arrival of Thornton W. Garrett, III, weight 8½ pounds.

G. R. Brown, who has been transferred from the Butte, Mont., office of the Fire Companies Adjustment Bureau to the Portland office, was guest at a testimonial dinner in Butte under the auspices of the Montana Blue Goose. Most Loyal Gander F. J. Sullivan was toastmaster.

Carl S. G. Wolf of the Wolf Insurance Agency, Fremont, O., who is now attached to the state treasurer's office, is bereaved by the death of his only child, John Scott Wolf, aged 3. The child, if he had lived, would have been the fourth generation in the Wolf agency. Scott S. Wolf, the father of Carl S. G. Wolf, operates the agency.

I. Leo Goodman, insurance broker at 160 North La Salle street, Chicago, is a candidate for the Republican nomination for representative in the Illinois legislature from the 19th senatorial district.

George H. Bell of Chicago, western manager of the National Fire of Hartford and president of the Western Underwriters Association, is taking a vacation at Boca Grand Island off the lower west coast of Florida. Mr. Bell takes no vacation in the summer but arranges for a holiday during the winter season.

Much to the delight of J. V. Kennedy, vice-president United States Underwriters Company of Jacksonville, Ill., and Mrs. Kennedy, Paul Joseph Kennedy has arrived on the scene.

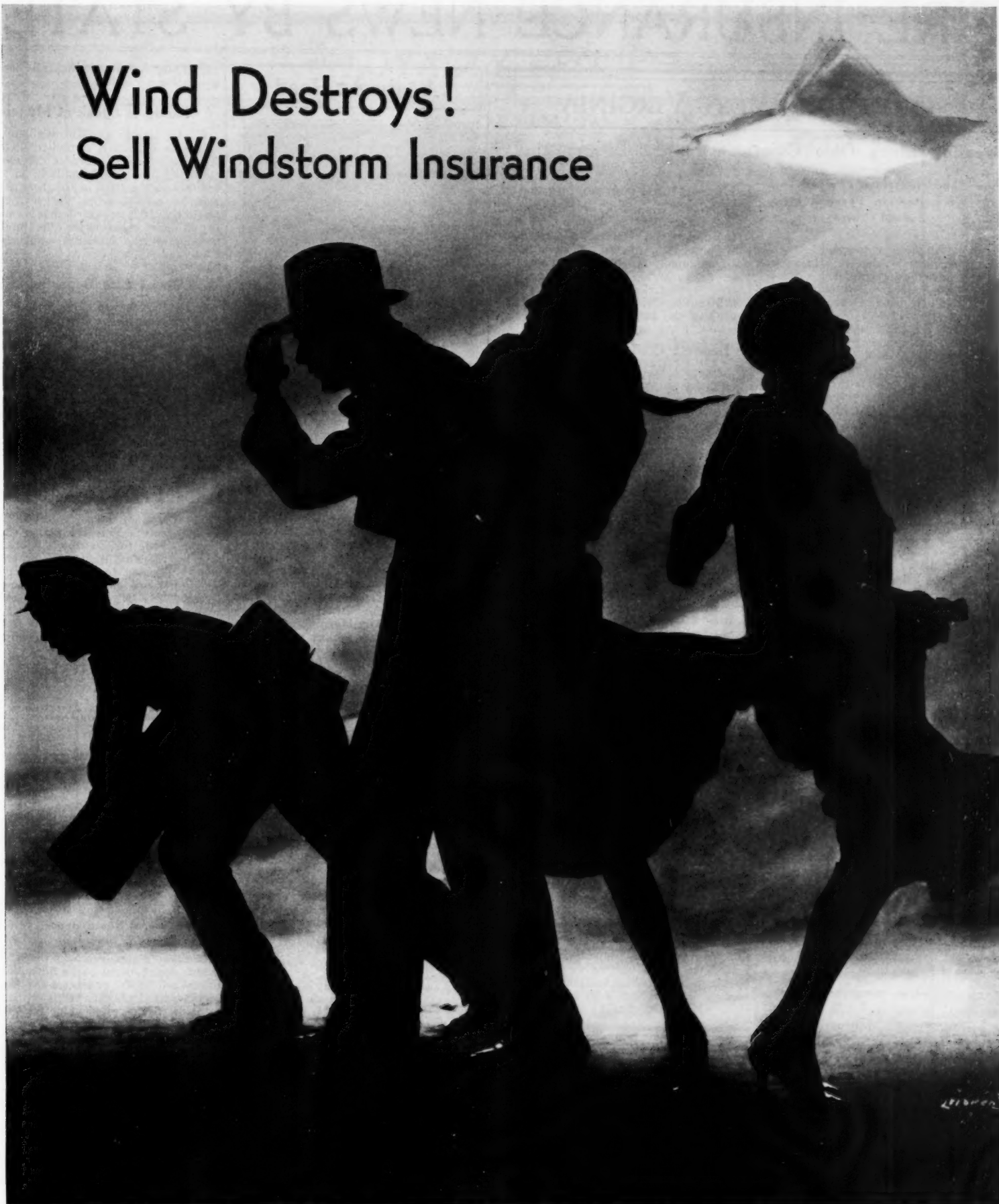
W. J. Wood, assistant secretary of the Camden Fire has returned to his home office after a three weeks visit in San Francisco in connection with transfer of his company's Eastern Underwriters' business from the defunct Mullin-Acton general agency to Cravens, Dargan & Co., who already represented the company.

A. C. Willis, who has been secretary of the Importers & Exporters for about a year, has joined the Whelpley agency at 80 William street, New York City. Until he became secretary, Mr. Willis was western supervisor at Chicago for the Importers & Exporters. He had been with the company about ten years.

Hoffman Has One-Man Chamber of Commerce

H. G. Hoffman of the Hoffman Agency Mount Sterling, Ky., is head of what is said to be the only one-man chamber of commerce in the United States. Mr. Hoffman is president, treasurer, chairman of the board, secretary and what not, pays his dues regularly, furnishes his office and private secretary, holds a meeting once a month, keeps complete minutes of the meetings, handles the chamber's correspondence and proudly displays his membership certificate. Mr. Hoffman has steadfastly refused to permit the old organization to pass from the picture, even after all other members dropped out. Some years ago he promoted the organization and secured the active support of the business men of the city, but enthusiasm lagged, and now Mr. Hoffman carries on for the entire town. His dogged spirit and determination may eventually result in the body being revamped.

Wind Destroys! Sell Windstorm Insurance



The AMERICA FORE GROUP of Insurance Companies

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New York, N.Y.

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ATLANTA

DALLAS

MONTREAL

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Rerating Many Ohio Cities

Four Completed Since First of Year—
Work Now in Progress in
Several Others

Among the larger towns in Ohio in which reratings by the Ohio Inspection Bureau have been completed since the first of the year are, Ashtabula, Bellefontaine, Oberlin and Defiance.

Columbus is now about 30 percent completed but will not be finished before fall. The rerating of East Liverpool is practically completed. Due to improvements in fire fighting facilities it now grades as 6th class, while formerly it was 7th.

Rerating Middletown

Middletown is being rerated as 5th class, one class better than the former grading, due to improvements. Canton was last rated in 1924 and rerating has just started. Xenia is being rerated due to receipt of a 1931 Sanborn map. There has been no change in class. Martin's Ferry is being rerated by the Steubenville office due to the fact that the tariff is old and the map has just been corrected.

Norwalk is being rerated as 6th class by the Cleveland office. A new map has just been published. Rerating of Lima was begun last week by the Lima office and will require until about Aug. 1 for completion. It remains in 5th class.

New Organization Formed by West Virginians at Welch

WELCH, W. VA., Feb. 24.—An association to be co-extensive with state and national insurance organizations was formed at a meeting of insurance men of southern West Virginia here. The new group, which selected the name Southern West Virginia Board of Insurance Underwriters, will represent eight counties of this section. Monthly meetings will be held, the next in Welch March 19. J. W. Blakely of Welch was elected president. Other officers named were Will Frederiking, Hinton, vice-president, and Ray Evans, Bluefield, secretary-treasurer. Counties represented are: Mingo, Mercer, Wyoming, Logan, Raleigh, Monroe and McDowell.

Those on Committee

Members of the executive committee are: C. V. Fellers, Mullens; A. B. C. Bray, Jr., Logan; C. W. Murphy, Ma-toaka; R. D. Watts, Beckley; W. M. Goodman, Williamson, with the officers.

These will meet with other similar groups of the state in Charleston soon for a hearing on proposed increases in automobile public liability and property damage rates. The local organization and others in the state oppose the increase proposed by the National Bureau of Casualty & Surety Underwriters, which, it is understood, would amount to more than 25 percent in West Virginia. The national bureau holds that more than 80 percent loss occurred on private cars in West Virginia in the last four-year period, and 103 percent on commercial automobiles.

However, the West Virginia organizations contend that the proposed increase would be out of proportion to increases put in force in 27 other states. It is also claimed that automobile owners would be unable to pay such rates as those proposed. A hearing will be

held soon before E. C. Lawson, West Virginia commissioner.

Huntington Program Suggested

Engineer Stansfield of the National Fire Protection Association visited Huntington, W. Va., and addressed the fire prevention bureau of the chamber of commerce. He suggested a program for the year. The bureau continues active work and is at present concerned with an electrical ordinance and revision of the building code.

Bennett Confers at Cleveland

Secretary W. H. Bennett of the National Association of Insurance Agents stopped off at Cleveland on his return to New York after attending the annual banquet of the Toledo Insurance Board. He conferred with the general committee of Cleveland agents as to arrangements for the midyear meeting of the National association to be held the week of March 21.

Ohio Mutuals Reelect

The Federation of Mutual Insurance Associations and the Ohio Mutual Tornado and Cyclone Association reelected their officers at their annual meetings in Columbus. R. E. Sawyer of Shelby is president of the former and A. F. Little of Covington is secretary. Officers of the Windstorm Association are Gus Seiberling of Barberton, president, and G. W. Miller, Bucyrus, secretary.

Plans were made for the entertainment of the national organization in Columbus next fall. W. E. Benoy, Homer Trantham and Kenneth Little of Columbus were appointed a local committee to look after the arrangements.

Street's Topic Announced

The topic of Charles R. Street's address before the Insurance Board of Cleveland March 9 will be "We All Have Our Troubles." Since Mr. Street has been held under no restrictions whatsoever, it is expected he will present some interesting facts concerning the insurance business.

To Confer on Tax Law

At a meeting of representatives of Ohio companies in Columbus Friday, a committee was appointed to confer and cooperate with the superintendent of insurance in the solution of several questions that have arisen in connection

Again At Head



H. R. MANCHESTER

H. R. Manchester, who has been re-elected president of the Cleveland Insurance Board, is one of the wheel horses in the National Association of Insurance Agents. He has served on the executive committee. He served as chairman of the special committee to make recommendations regarding the procedure of the Interstate Underwriters Board. Mr. Manchester will be one of the important factors at the mid-year meeting of the National Association of Insurance Agents in his city.

with the new state tax law. On the committee are G. D. Gregory, American National Fire; Homer Trantham, secretary Insurance Federation of Ohio, and John M. Vorys, counsel for a number of companies.

New Columbus Adjusting Office

A. J. Patterson and R. B. Atwell have established an adjusting office at 421 First National Bank building, Columbus, O., and will handle losses for the companies only in Columbus and central Ohio.

Mr. Patterson was for eight years an independent adjuster at Ironton, O. Mr. Atwell was formerly special agent of the Boston and for the National Union in Ohio. He is a son of C. C. Atwell, manager of the Ohio Audit Bureau.

Solomon Kellar, aged 83, for 30 years an insurance agent at Baltimore, O., died this week.

CENTRAL WESTERN STATES

Investigation Now Advocated

Unsolicited Applications Demand Exhaustive Inquiry in Opinion of Illinois State Agent

Ray C. Dreher, in the "Accelerator," which he gets out for the Boston and Old Colony, publishes an article by L. G. Carpenter, Illinois state agent, who advocates agents investigating requests for insurance, which come in unsolicited. With so many policies being taken up for non-payment, he points out that much business is being shopped around and agents who are not careful are likely to become burdened with poor pay customers.

If possible, the names of the former

agents of customers of this kind should be ascertained. Then, an idea of the prospect's paying record can be learned.

Warning on Accounts

Mr. Carpenter warns against permitting accounts to grow old. Many agents have been forced to liquidate their agencies to pay accounts long overdue, he pointed out. He said that a list of delinquent customers should be prepared; calls should be made upon those on the list and, if a definite understanding cannot be arrived at as to when premiums will be paid, the policy should be taken up. A personal call is best, and a collection letter is second choice. The agent should not be apologetic, but threats should be avoided except under extreme circumstances. Collection letters should not be surly because collect-

ing money is just as much salesmanship as getting an order.

Gandy to Speak at Muncie

C. L. Gandy of Birmingham, Ala., chairman executive committee National Association of Insurance Agents, is slated to go to Muncie, Ind., to give a talk before the local board there. Agents will be invited from the surrounding territory. It is expected that he will be in Muncie right after the mid-year meeting of the National association in Cleveland.

Opens Life Department

H. S. Thompson, president of General Underwriters, Detroit, announces the opening of a life insurance department representing the John Hancock under J. F. Oed, who recently resigned as manager of the brokerage and group departments of the John Hancock at Detroit. General Underwriters was established in 1931, to take over the insurance business of the James S. Holden Company, real estate operators. Mr. Thompson was formerly Detroit branch manager for the Hartford Accident.

Detroit's Proposed Building Code

The National Fire Protection Association reports that the proposed new building code for Detroit is waiting action by the city council. The code is being subjected to the usual criticisms and attacks of commercial interests affected. The N. F. P. A. is strongly advocating the adoption of the code as written by the building code commission created for the purpose by the city council.

Recent new agencies in Illinois include W. N. Osborne, Vandalla, who has taken representation of the Royal; N. P. Goetzer, Bloomington; American & Foreign, and G. E. Parkin, Normal, American & Foreign. All three are real estate operators.

News of States in the Northwest

St. Paul Report Is Released

Fire Department Strong, New Fire Alarm System Being Installed, National Board Reports

The water supply works of St. Paul, Minn., are reported to be adequate and mainly reliable by engineers for the National Board. Sufficient quantities are available in congested value districts by opening emergency connections; quantities in some other important districts are inadequate because of small mains. The fire department is declared to be strong and fairly efficient and a new fire alarm system is being installed.

In much of the congested value district, weak construction, lacking in fire resistive features, makes severe individual to block fires probable and under unfavorable conditions these fires could cross the street, which are only of fair width, and involve groups of blocks. However, more than one-half of the built-on area is of fireproof construction or is sprinklered, the water supply is reliable, the fire department fairly strong and effective and powerful outside aid is available, hence fires involving considerable portions of the district are not probable.

In the manufacturing and minor mercantile districts, severe local fires are probable; in some cases the water supply and hydrant spacing is deficient.

The gross fire loss for the past five years was reported \$5,358,359, with a

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven, that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D. and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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loss per fire averaging \$652, "a low figure," and the average loss per capita is \$41.12, "a moderate figure."

Claim System Criticized

ST. PAUL, Feb. 24.—R. S. Stansfield, field engineer of the National Fire Protection Association, in a report to the St. Paul safety council, criticizes the new \$220,000 fire and police alarm system.

He regards the location of the alarm headquarters above the police garage as hazardous and recommends the completion of the system as originally planned but not carried through for lack of funds. At present, it is pointed out, box alarms cannot be relayed to engine houses because the system is incomplete.

Mr. Stansfield recommends a drill school for firemen and also a drill tower.

Yoder Is Made Chairman

W. A. Yoder of Minneapolis, state agent America Fore in Minnesota, has been appointed district chairman of the contest committee of the National Fire Waste Council in Minnesota. He succeeds Karl P. Theimer, who has been transferred by his company to another field.

Fond du Lac Credit Rule

FOND DU LAC, WIS., Feb. 24.—The Fond du Lac Board, which comprises about 95 percent of the full-time agents in the city, has adopted a new credit rule. Where premiums are under \$35, members will demand 50 percent within 30 days, and 50 percent in 60

Property Owner Insured In the London 50 Years

A. C. Page of the Page & Babcock agency at Austin, Minn., has dug into the files and discovered that E. A. Dalager of Austin, has had his property insured in the London Assurance continuously for 50 years and has never suffered a fire loss. Mr. Page has had the representation of the London for many years.

days, while for premiums amounting to \$35 or over, the rule will be 40 percent of the payment in 30 days, and 60 percent in 60 days.

Interest in Winterble's Candidacy

William F. Winterble, agency manager at Madison, Wis., for the Bankers Life of Iowa, is a candidate for election to the Madison board of education. The "Capital Times" of Madison published a report that Mr. Winterble's candidacy is being sponsored by insurance agencies which are interested in seeing that insurance on public schools is not carried by the state fire insurance fund.

South Side Association Elects

MILWAUKEE, Feb. 24.—Elmer G. Krause was reelected president of the South Side Insurance & Realty Association at its annual meeting. Other officers reelected were H. R. Schumann, vice-president; A. W. Erdman, secretary, and Anton J. Muth, treasurer.

IN THE MISSOURI VALLEY

Kansas Local Agents Drive

Three-day Campaign Brings in 75 New Members and Reinstates Many Others

WICHITA, KAN., Feb. 24.—The three-day membership drive of the Kansas Association of Insurance Agents will result in at least 75 new members and reinstatement of some former ones. The returns yet are incomplete on account of bad weather and the roads. Chairman Stover stated that at least 50 had been reported tonight. Only four of the 12 chairmen have yet sent in their returns, but they have secured 20 new members. Aldorado, Eureka, Winfield, Arkansas City, Wellington and Caldwell were visited today by three teams composed of F. T. Priest, Charles Foote, Byron Chappel, Allan Larkin and William Bauerle. Chairman Stover will spend Friday in Newton in the effort to secure several new members and organize a local board with the assistance of Ben Northcott, member of the state executive committee.

National Board in Report on Conditions in Wichita

The National Board reports that the gross fire loss for the past five years in Wichita, Kan., was \$1,424,310, the average loss per fire being \$312, "a low amount," and the annual loss per capita \$2.85, "a moderate figure."

The water supply works are declared to be mainly adequate; required quantities available in most of congested value districts. Small mains, poorly supported, limit supply in some other sections. The fire department is thoroughly efficient but moderately undermanned. The fire alarm system is reliable but little used.

In the congested value district, construction weak in fire-resistive features makes severe individual to group fires probable in most of the districts. The

fire fighting facilities having some deficiencies, are generally adequate, so that, with the several important streets of good widths and the moderate amount of fire-proof construction a fire should normally be confined to the group or block of origin.

Iowa Blue Goose Meets

DES MOINES, Feb. 24.—Joe Cutter of the Des Moines Electric Company spoke at the Monday luncheon of the Iowa Blue Goose, explaining the purpose and uses of violet ray lamps. His talk was illustrated by slides. He was introduced by E. R. Dust, Des Moines manager for the Underwriters Adjusting.

Rush With Jones & Sons

KANSAS CITY, MO., Feb. 24.—O. P. Rush, well known to insurance men in the central west, who has been in field work for 23 years, has joined R. B. Jones & Sons as vice-president in charge of production. He was formerly with the Home and Fireman's Fund in Kansas and later with Fred S. James & Co. in a much wider territory.

Sutherin Fire Manager

Gaylord Sutherin of Topeka has been appointed manager of the fire department of W. R. Fish & Co., one of the oldest agencies in Kansas, established in 1870. Mr. Fish died in 1926 and his widow has been operating the agency since.

Court Ruling Causes Policy Check

KANSAS CITY, MO., Feb. 24.—Many Missouri property owners are examining their fire policies to determine whether they are properly executed following a recent ruling of the Missouri supreme court that no loss can be collected if a policy is made to either a husband or wife when the property is in the name of both.

Superintendent Thompson recom-

mends that insureds have their policies examined and changed to the same style as the title to the property it covers. The department and most agents of the state were unaware of the law until the court ruling, in the case of Fulbright vs. Phoenix of Hartford.

St. Louis Relief Fund Drive

About 300 insurance men and women captained by members of the St. Louis court of Cats Meow are attempting this week to raise funds among some 8,000 small firms and business houses in downtown St. Louis toward the \$1,200,000 emergency relief fund.

Carl S. Lawton, president of the Missouri Insurance Council, is chairman of the fire and casualty group. Claude R.

Fooshe, manager of the Prudential is head of the life insurance workers.

Wilson Back in Sioux City

Henry Wilson, formerly an independent adjuster at Sioux City, Ia., but in recent years with the Western Adjustment at Sioux Falls and Rapid City, S. D., has returned to Sioux City as a staff adjuster for the Western.

Nebraska Notes

The Nebraska Fire Prevention Association will make an inspection of Crete March 2.

The Midwest Adjustment Company of Omaha has been incorporated by Richard Kitchen and L. C. Hawley.

A. B. Parks of York, Neb., has sold his agency to the Jones-Perry Agency of that city.

STATES OF THE SOUTHWEST

Oklahoma Regional Meeting

Agents Meet At Muskogee—Discuss Legal Interpretation of Statutes—Favor Cancellation Clause

MUSKOGEE, OKLA., Feb. 24.—The first regional meeting of the Oklahoma Association of Insurers here last week, went on record as favoring harmonious work of the executive committee with the Associated Industries of Oklahoma in properly presenting the compensation insurance rate and its effect on industry to the governor. It was also voted that the association should also prepare a list of the "bad practices" that are being subscribed to by companies and agents in the state and then such list shall be sent to all agents.

Randolph Branch, secretary Tulsa Insurance Board, led the morning discussion on the legal interpretation of the insurance statute in Oklahoma and the powers of the state insurance board in eliminating certain types of illegal agents.

W. F. Stahl and Joe Frates, Tulsa, spoke on the compensation rating question, pointing out how the local insurance agents and companies suffered through the present status of this type of business in Oklahoma. The 30-day cancellation clause and the advisability of urging companies to incorporate this clause in the policy contract, was discussed and recommendations made that it be sponsored by the state organization through the national association.

Building membership was discussed and it was conceded that it is important to reach and encourage the small town agent. John Moffatt recommended that a smaller bracket be made in the graduated scale of dues to include the agents who write \$10,000 or less in premiums per year, and that the allocation to the National association dues be lowered in the same ratio. The matter was referred to the executive committee for final action. Three other regional meetings are to be held by the association this spring.

Asks Marshals' Cooperation

DALLAS, Feb. 24.—Cooperation of the fire marshals of Texas has been asked by the new fire commissioner, R. S. Mauk, in reducing fire losses. Mr. Mauk pledged himself and his department to aid in every way fire prevention plans over the state.

"Arson Courts" in Fort Worth

FORT WORTH, TEX., Feb. 24.—Aroused over mounting fire losses due to activities of firebugs, Fort Worth has taken steps against arsonists. The district attorney has named one of his assistants as arson investigator. He is holding "arson courts" before a justice of the peace and quizzing property owners, tenants and others in connection with suspicious fires. If the evi-

dence warrants the matter is taken before the grand jury and indictments asked. He is also delving into suspicious fires of the past year and promises some startling revelations.

Texas General Agency Celebrates

The Texas General Agency Company of San Antonio, Tex., headed by President J. B. Roark has sent out birthday greetings. It represents as general agents the Maryland Casualty, Associated Indemnity, Associated Fire & Marine, Texas Equitable Underwriters, Globe and Republic, Richmond, Providence Washington and Maryland. It is asking its agents to remember its third anniversary. It has built up an excellent producing force in its territory.

Contests Adjusters' Tax

R. R. Moore, manager of the Southwestern Adjustment at Wichita Falls, Tex., is asking for an injunction to restrain county and state officials from enforcing against him a law imposing a \$50 occupation tax on adjusters. Moore contends he is not an insurance adjuster as defined by law; that the law is discriminatory and that he should not be forced to pay the tax.

Dixie Mutual in Receivership

Temporary injunction restraining the Dixie Mutual Fire of Fort Worth from operating in Texas has been granted in the district court at Austin and R. A. Stuart was named receiver.

The attorney general's department alleged the company was insolvent; had a deficit of \$35,222; had failed to maintain a 40 percent premium reserve and that the officers and directors had abandoned the company as "hopelessly insolvent."

Action against the Dixie Mutual marked the 13th suit of this nature against insurance companies and associations filed by the attorney general in recent weeks.

The Dixie Mutual was started in 1929. As of Dec. 31, 1930, assets were \$14,239; premium reserve \$9,514; surplus \$2,674; premiums \$23,785; losses \$4,608; expenses \$7,975.

Arkansas Agents to Meet

The annual meeting of the Arkansas Association of Insurance Agents will be held at the Arlington Hotel, Hot Springs, May 20-21, C. C. Mitchener, secretary-treasurer, Marianna, Ark., announces.

F. B. Martin in San Antonio

Frank B. Martin, United States manager of the Yorkshire group was a visitor to the home office of the Western National Fire of San Antonio. The policies of the Western National are guaranteed by the Yorkshire.

The Fairfax Insurance Agency, Fairfax, Okla., is now being operated by J. N. Fry.



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The southern offices will be thoroughly equipped for writing I. U. B. covers and all side lines, and will afford facilities for engineering services, State Agent Sault having been for seven years previously with the special risk department of the North America at Atlanta, part of the time as superintendent special risk department.

Mr. Sisk began as special agent for the Hartford in Tennessee and for 12 years after leaving the Hartford was connected with the southern department of the North America. He saw service also as head of the farm department.

Bradshaw & Weil Take on Two Additional Carriers

LOUISVILLE, Feb. 24.—The Bradshaw & Weil general agency, recently removed from Paducah to Louisville, and entirely divorced from the local agency of Bradshaw & Weil at Paducah, is building up a powerful organization. Early this month it was announced that the agency had two companies, would shortly announce two more, and that C. C. Terry, former head of Charles C. Terry & Co., general agent, later state agent for the Globe & Rutgers fleet, had become president. The agency now has added the Fulton Fire of New York, of the Hanover group; and the First American Fire, of the America Fore group.

These, with the Western Assurance of Canada and National Security, make up a powerful group. The First American previously was represented in Kentucky by the D. Cliff Stone general agency of Nashville, which also represented it in Tennessee.

Hotel Fights Classification Rule

NEW ORLEANS, Feb. 24.—Claiming that modern fireproof hotels are now placed in the same fire insurance classification as gasoline stations and film exchanges, the Jung hotel has filed suit to force the Louisiana insurance commission to require each fire company doing business in the state to file premium and loss experience under the 155 classifications formerly used, instead of the 26 recently adopted.

Vote 20 Percent Maximum

MONTGOMERY, ALA., Feb. 24.—At the February meeting of the Montgomery Exchange it was unanimously voted to change the rules allowing agents a maximum of 20 percent commission on bonds instead of 15 percent, the maximum in effect for a long time.

The change was made at the request of L. A. Porter, branch manager National Surety, who stated that, although he is not a member of the exchange, his company has been living up to the requirements of the exchange in its maximum commission allowance of 15 percent. However, he said, as a result he has been losing some business be-

cause some agents were getting 20 percent elsewhere. He said he was not asking for an increase of the maximum but, in fairness, it should be made uniform.

Lilly in Southern Conference

While in Atlanta last week G. W. Lilly, manager of the Fire Companies Adjustment Bureau, had a session with the managers of each of the 31 branch offices in the territory, together with the staff men attached to the Atlanta office, outlining the general policy of the supervisory body and the plans for improving loss methods.

Agents Not Liable for Tax

The Birmingham Association of Insurance Agents has been advised by counsel that members writing business in incorporated suburbs are not legally liable to taxation by these municipalities. One suburb has recently called on Birmingham agents to pay a license fee. The association holds the matter an individual one, so that any agent doing considerable business in the suburb and feeling a moral obligation may pay the tax if he desires.

Cut Down Representation

LOUISVILLE, Feb. 24.—The ax fell heavily on companies in two of Louisville's large agencies the past week when the Liberty Fire office dropped eight of its companies and Gaunt & Harris dropped the same number. This left the Liberty with 12 companies and Gaunt & Harris with eight.

Companies remaining in the Liberty office are the Continental, Fidelity & Guaranty Fire, Hartford Fire, Home of New York, North America, L. & L. & G., London & Provincial, New Hampshire, Phoenix of Connecticut, St. Paul F. & M., Springfield F. & M. and U. S. Fire.

The Gaunt & Harris office retains the Travelers, Hartford Fire, Royal, Sun, London & Provincial, Northwestern F. & M., Scottish Union and World F. & M.

Tax Bill Reported Out

RICHMOND, Feb. 24.—Reported out of committee by a 7-5 vote, the Coleman bill imposing a tax of 50 cents on every \$100 of fire insurance premiums paid by the various localities was before the Virginia house this week for consideration. The measure, sponsored by the state firemen's association, provides that proceeds from the proposed levy shall go to a fund for the benefit of retired or disabled volunteer firemen.

To Observe Conference Rates

AUGUSTA, GA., Feb. 24.—At the monthly meeting of the Augusta Board of Underwriters it was voted that all of its members observe conference rules and rates on the writing of automobile insurance, regardless of their company connections.

Distribute \$14,296,000 Line

NEW ORLEANS, Feb. 24.—The \$14,296,000 fire insurance on the New Orleans public school properties is distributed among the various agencies. Hartwig-Moss gets \$7,186,000 and the Lafayette Fire \$750,000.

Kentucky Legislature Active

LOUISVILLE, Feb. 24.—The amendment to the Kentucky resident agent law, which would prohibit anyone other than a licensed local agent signing a fire insurance policy on Kentucky property, passed the Kentucky senate and was in the orders of the day for passage in the house. If adopted agents

believe that it will check overhead writing. Under the existing law resident field men for fire companies may sign the policy.

The bill to create a state insurance fund, and for the state to carry its own insurance on state owned properties, is in the orders of the day for action.

Another bill which is not being given serious consideration calls for extension of the valued policy law, now pertaining to realty, to include personal property.

Manager Key on Job

Cliff Key, formerly southern manager for the Southern Fire, has taken up his new duties as Alabama manager of the Home of New York group with headquarters in Birmingham. Frank Smith, who up until the change covered northern Alabama for the Home, and Sam Biggers, who covered southern Alabama, will now work out of Mr. Key's office, as will W. A. Allread, who has been state agent for the National Liberty.

County Licenses Upheld

Judge Humphries in Fulton superior court in Atlanta, Ga., has ruled that Georgia agents must pay a \$10 license fee for every county in which they operate. L. S. Brannon, an agent, together with about 20 others, sought to enjoin collection of the special license. A representative of the comptroller's office told the court that every agent in Georgia except for a few representatives of industrial companies had paid the fee.

Collections Found Better

Collections have improved in Alabama and Mississippi, according to reports of company representatives in Birmingham, Montgomery and Jackson. This problem has been a bugaboo to special agents for about two years but during that time they have closed

out most of the bad accounts and are concentrating only on agencies that are going concerns. This largely accounts for the improvement. Bank failures which for a while tied up the accounts of numerous agencies have declined markedly. Slow but steady advance in cotton prices is another factor lending considerable encouragement to the business outlook. Most agents now in business have cleared the end of the year successfully and the number of failures is expected to show a substantial decline from last year.

Seek Liquidation of Agency

NEW ORLEANS, Feb. 24.—Liquidation of the Miller Insurance Agency is sought in a petition filed in civil district court by counsel for William Campbell and S. H. King, Sr., named liquidators by stockholders.

Sue on Sprinkler Rates

NEW ORLEANS, Feb. 24.—Charging that the Louisiana insurance commission has violated act 302 of 1926, W. M. Campbell and W. M. Railey, acting as agents for certain insureds, have filed a suit in civil district court seeking a 25 percent reduction in premiums on sprinkler-equipped buildings.

B. P. Gray Independent Adjuster

Ben P. Gray, veteran adjuster of Louisville, who for many years was with the old Southern Adjustment Co. and also served the Western Adjustment, recently left the J. H. Harrison office and has established his own independent adjustment office at 122 South Fifth street, Louisville.

Wegmann Is Speaker

NEW ORLEANS, Feb. 24.—John N. Wegmann, president of the Lafayette Fire, addressed the New Orleans Horticultural Society at the annual meeting on "Insurance; Its Importance and Necessity."

PACIFIC COAST AND MOUNTAIN

Hits "Whispering Campaign"

Deputy Commissioner of California
Condemns Activities of
"Rumor Mongers"

SAN FRANCISCO, Feb. 24.—S. E. Beckett, deputy insurance commissioner, has issued a statement decrying the actions of "the indiscreet person or persons who carelessly or maliciously indulge in 'whispering campaigns' which reflect upon the financial condition of any insurance organization," pointing out that by carrying these rumors these persons are "subjecting themselves to serious consequences."

"The present condition of affairs," he says, "has prepared a fruitful field for such practices. The rumor-monger should carefully consider the seriousness before making misstatements."

He asks that the insuring public report to the department "any effort on the part of those who are indulging in such nefarious practices."

Mr. Beckett has been in southern California in charge of examinations for agents, brokers and solicitors and expected to return to San Francisco this week.

Bureau Rerating Portland

PORTLAND, ORE., Feb. 24.—Rerating of Portland by the Oregon Insurance Rating Bureau is approximately 50 percent completed. It is expected that rate schedules for all districts and classifications of risks will be filed with the insurance commissioner early this summer.

The revision is in the form of a readjustment of the rate structure in accordance with legislation enacted by the

1931 legislature. It is not yet determined whether there will be material change in the average rate, but it is known that in some classifications the rates have been raised.

Hay to Oppose Fishback

Bruce Hay, general agent for the Pacific Mutual Life in Spokane, son of former Governor M. E. Hay, will seek the Republican nomination for insurance commissioner of Washington against H. O. Fishback.

Regional Meet at Watsonville

A regional meeting of the California Association of Insurance Agents was held at Watsonville, covering district No. 5 which embraces the Santa Cruz, Monterey and South Coast territory. President P. S. W. Ramsden and Frank Colridge, executive secretary, were the principal speakers, discussing state, national and local problems and reporting on the activities of the California association since its annual meeting last September.

Buyers Hold First Meeting

Objects of the newly organized Insurance Buyers Educational Association and some of the phases of insurance which are today problems to the merchant and manufacturer were to be presented at the first meeting of the association in San Francisco Thursday.

The principal speaker is A. G. Westcott, executive head of the Union Ice Company of San Francisco and the first chairman of the new organization. The meeting is to start with a dinner.

Mr. Westcott will review the plans and success of the insurance section of the American Management Association

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French Independent Adjuster

John S. French, who retired as assistant secretary of the Fireman's Fund Feb. 1, has opened offices in San Francisco as an independent fire adjuster. Mr. French was in charge of fire losses for the Fireman's Fund.

Credit Association Election

LOS ANGELES, Feb. 24.—H. Everett Charlton of the Seyler-Day general agency is slated for election as president of the Insurance Credit Clearing Association of Los Angeles at the annual meeting tomorrow, with G. F. Houghton, Hartford Accident, for vice-president; Don R. Sessions, American Automobile, for secretary, and Hugo Methmann, Fireman's Fund Indemnity, for treasurer.

Brown Heads Civic Union

Kenneth M. Brown, superintendent of the city automobile department of the Fireman's Fund, has been elected president of the San Francisco Civic Union, which was recently organized by a group of business men for the stimulation of interest in civic affairs. Sam M. Markowitz, well known insurance broker, is vice-president of the union.

P. L. Haid on Coast

P. L. Haid, president of the America Fore group, is on a trip to the Pacific Coast planning to be gone a month. He will divide most of his time between Los Angeles and San Francisco.

Joins Cobb, Miller & Stebbins

A. A. Bennett, who was special agent for the Cashman & Evans agency for a number of years, has been appointed special agent by Cobb, Miller & Stebbins, general agents, Denver.

Salvage Company Business Jumps

DENVER, Feb. 24.—Mountain business of the Underwriters Salvage Co. is rapidly increasing, according to Fred L. Henkel of Denver, state agent, who reported the increase is partially due to the entrance of the Fire Insurance Companies Adjustment Bureau in this field. Both organizations are affiliated with the National Board. Mr. Henkel reported the part-time services of Glenn Oliver, hail expert of the Springfield,

North America and the Aetna, have been obtained to help care for the overflow.

Information Bureau Elects

DENVER, Feb. 24.—A new executive committee was chosen for the Insurance Information Bureau at the annual meeting last week. The members named are: H. F. Evans, Cashman & Evans, chairman; W. L. Braerton, Braerton, Simonton, Brown; F. R. Lanagan, Daly General Agency; Herbert Fairall, local agent, and Richard White, state agent Liverpool & London & Globe. The bureau is a legislative organization, although it has no official connection with any of the insurance boards.

Colorado Valuation Ruling

Commissioner Cochrane of Colorado has ruled that stocks held by insurance companies will be valued in his state at the lowest value declared by that company in its departmental reports. Bonds not in default, real estate mortgages and real estate must be carried at a value not in excess of that required by Colorado law. Bonds in default must be carried at the market value as of Dec. 31, 1931, but if there is no such recorded value, then at the lowest value declared by the company in its departmental reports.

New Portland Agency

A new insurance firm known as Lewis & May, composed of C. H. Lewis, Jr., K. C. May and Dorothy M. Diamond, has opened offices in the Lewis building, Portland Ore. Mr. Lewis was formerly vice-president of I. L. Webster & Co. and Mr. May was with Roy A. Johnson. Miss Diamond will be secretary-treasurer.

Field Is Consolidated

Edward C. Hinz of Seattle, for the past three years special agent in Washington for Balfour-Kessler Agencies, has resigned. Ralph G. Giesy, special agent at Portland, will hereafter cover Washington, Oregon, Idaho and Montana.

Action Now in Field

George W. Acton, vice-president of the former general agency firm of Mullin-Acton, has been appointed a field representative for Edward Brown & Sons general agency, covering California. In his new capacity Mr. Acton will devote his time to the production end of the business.

EASTERN STATES ACTIVITIES

Qualification Laws Vital Now

W. B. Calhoun Tells New Jersey Agents Unemployment Accentuates Need for Restrictions

Unemployment conditions in recent years have accentuated the problem created by the indiscriminate appointment of agents, President W. B. Calhoun of the National Association of Insurance Agents told the members of the New Jersey Association of Insurance Agents in mid-year meeting at Trenton. Qualification laws were never more important, he said.

"One subject," Mr. Calhoun declared, "which appears to be the same in almost every state, is the entering of every Tom, Dick and Harry in the insurance business. I suppose it has been more noticeable during the past few years because of the unemployment situation, but nevertheless something has got to be done by those states which are without proper agents' qualification laws."

"We have taken the position that the selling of insurance is a profession and requires a knowledge of contracts in

order to properly protect our clients. The turning over of insurance to an unqualified agent belittles the business because of his lack of experience and inability to render proper service."

"The blame for the existing conditions is not entirely on the companies. We have been a party to the crime of permitting the evil to grow, and we owe it to the public to see that the situation is cleaned up."

Mr. Calhoun urged greater interest in local boards. He commended the work of the various conference committees. He appealed to the agents to engage in fire prevention activities and spoke in behalf of the membership goal of the National Association.

Merger Bill in New Jersey

TRENTON, N. J., Feb. 24.—A bill has been introduced in the New Jersey legislature by Assemblyman Joseph Byrne, Newark insurance man, to enable consolidation of New Jersey insurance companies with foreign companies and to legalize mergers of companies within the state.

Another bill would permit the governor to remove the commissioner of banking and insurance summarily with-

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out a hearing. The bill is part of a plan to have all department heads serve at the pleasure of the governor.

McKeesport Agents Meet

McKEESPORT, PA., Feb. 24.—J. E. Jenkins was reelected president of the Insurance Agents Association of the McKeesport district at a meeting. Other officers elected were: V. E. Griffin, of Glassport, vice-president; C. W. Zeigler, of Duquesne, second vice-president, and C. E. Linhart, secretary-treasurer.

Poor & Alexander Setup

BALTIMORE, Feb. 24.—Following the tragic death of W. W. Alexander, vice-president of Poor & Alexander, H. F. Poor announces that business will be continued at the same offices. Mr. Poor continues as president, with P. D. Bowen as vice-president and treasurer, and J. D. Bartlett and A. J. Kennedy now associated as vice-presidents.

Philadelphia Pond Meets

The Philadelphia pond of the Blue Goose will meet Feb. 29 for a mid-season splash. T. B. Donaldson, custodian of the New York pond and former in-

urance commissioner of Pennsylvania, will be master of ceremonies. T. F. Cunneen, manager insurance department U. S. Chamber of Commerce, will be the speaker. A. G. Costello, deputy commissioner of Pennsylvania, will attend. Several goslings will be initiated.

Burke Heads Federation

BOSTON, Feb. 24.—More than 500 members of the Insurance Federation of Massachusetts gathered for the annual meeting and dinner last week. Arthur W. Burke, casualty general agent Aetna Life, was elected president. Miss Mary A. Blackburn was elected secretary. John W. Downs, counsel and general manager, analyzed the bills before the state legislature. Senator Felix Hebert of Rhode Island, chairman unemployment insurance special commission of Congress, gave his views of the trend of the times as to government interference in private business. J. Lawton Whitlock, retiring president, presided.

Counsel John W. Downs stated that Massachusetts had superseded North Dakota as the most radical state in the Union on proposed insurance legislation. Of the 1,400 measures filed with the state legislature during the present session 133 bills affected the fire and casualty business.

IN THE CANADIAN FIELD

Raise Commercial Auto Rates

Sharp Increases for Montreal and Quebec Areas Put Into Effect by Canadian Automobile Underwriters

MONTREAL, Feb. 24.—Sharp increases in insurance rates for commercial vehicles in the Montreal and Quebec areas have been put in force by the Canadian Automobile Underwriters Association. Property damage rates with limit of \$1,000 for Montreal City and Island, and several neighboring counties, also the city of Quebec and Levis and territory within five miles of city limits, are increased by about 15 percent. Interurban transport vehicles, farmers trucks, industrial trucks, station or dock trucks and farm tractors are unchanged.

Fire and transportation rates for vehicles bought new within six months have been raised 10 to 15 cents and increases run to as much as 45 cents for a vehicle purchased 3½ years ago.

Edmonton Annual Meeting

The Agents Association at Edmonton, Alta., at its annual meeting had Henry Brace, superintendent of insurance of Alberta, and L. T. Chadwick, manager Western Canada Insurance Underwriters Association, as guests. The name has been changed to the Insurance Agents Association of Edmonton, and several other changes in the constitution were adopted. Officers elected were: Chairman, G. W. Tweed; vice-chairman, J. F. Jeffers; secretary-treasurer, R. J. Creighton; executive committee, Stewart Hill, J. L. Brown, Gordon Butler, W. C. Marshall, Geo. Kirkpatrick and W. E. Blackett.

Calgary Agents Elect

At the annual meeting of the Calgary Agents Association, a presentation was made to O. E. Tisdale, permanent chairman, on the occasion of his 80th birthday. A committee was appointed to deal with changes in the constitution which have been advanced. Guests included L. T. Chadwick, manager Western Canada Insurance Underwriters Association, and James Smart, chief of the Calgary fire department. New officers elected were: Permanent chairman, O. E. Tisdale; vice-chairman, James Cleave; secretary-treasurer, R. J. Creighton;

executive committee, W. A. Ackland, C. E. Tait, H. L. High and D. G. L. Cunningham.

Prudential Assurance Changes

The Prudential Assurance of London has made several new appointments following the retirement of Bernard Humphrey, manager for Canada. The fire department manager is R. S. Thorp, formerly assistant Canadian manager. J. Upton Fletcher is casualty manager and the life branch is now under Frank C. Capon, formerly assistant Canadian manager.

Canadian Field Appointments

The Western and British America group has appointed J. O. Roby inspector for the province of Quebec. He has been with the London Assurance in a similar capacity.

W. E. McIlroy has been appointed inspector for western Ontario of the General Accident with headquarters in London.

Hamilton Board Elects

The Hamilton (Ont.) Association of Fire & Casualty Insurance Agents has elected A. E. Bliss & DuMoulin, president; R. M. Aliworth, vice-president, and T. J. A. Ferguson, reelected secretary-treasurer.

Motor Insurance Events

State Farm Mutual Meeting

Annual Convention of the Automobile Writing Company Held at Its Bloomington Home Office

The annual convention of the State Farm Mutual Auto of Bloomington, Ill., and its running mate, the State Farm Life, were held in Bloomington this week. It means something to house and take care of some 1,200 agents gathered from the various states. The meetings were held in the theatres.

On Wednesday morning Superintendent of Agents A. W. Tompkins called the assembly to order with J. S. Jones,

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secretary Minnesota Farm Bureau Fed-
eration, presiding. President G. J.
Mecherle of the companies gave the ad-
dress of welcome. Secretary George E.
Beedle read the annual report of the
two companies. General Counsel A. H.
Rust gave a talk as did Insurance Su-
perintendent H. W. Hanson of Illinois.

T. F. Campbell, assistant secretary,
called the meeting to order in the after-
noon and A. M. Stanley, director of
insurance of the California farm bureau,
presided. J. S. Maryman, Little Rock,
Ark., a big producer of the Aetna Life,
spoke on "More Sales With Less Talk."
E. J. Carmody, superintendent of claims,
gave an address. He was followed by
Superintendent of Agents Tompkins, M.
G. Fuller, vice-president State Farm
Life, presented its program for the year.
H. L. Ekern, attorney of Chicago,
formerly attorney general of Wisconsin,
and former insurance commissioner of
the state, talked on "1932 Problems
Confronting Insurance Companies." The
prizes were awarded by R. P. Mecherle,
superintendent of commissions, and G.
E. Mecherle, assistant secretary and
treasurer. Thursday is being devoted to
state and district agents' meetings.

Superintendent Hanson, in his ad-
dress, paid tribute to the State Farm
Mutual for its "phenomenal growth."
He paid his respects to insurance rack-
eteers, saying that his department has
attempted to rout them from the busi-
ness. "We have called a halt," he said,
"to the plundering and thievery at the
expense of unassuming and innocent
victims." He asked for the support of

legitimate insurance men in the crusade
against racketeers.

It was announced that the total in-
come of the State Farm Mutual Auto-
mobile last year was \$7,450,891, dis-
bursements \$6,278,690. The assets are
\$6,603,747 and net surplus \$1,026,853.

Outlaws Preferential Rate

Commissioner Dunham of Connecticut
Rules on Personal Cars Getting
Advantage of Fleet Price

Commissioner Dunham of Connecti-
cut has put his foot down on preferen-
tial rates for automobile insurance
where personal cars are insured in con-
nection with fleet rates granted large
corporations. He holds that this is in
violation of the anti-rebate and anti-
discrimination laws. He said there is
no difference in hazard on part of these
personal cars and others used for simi-
lar purposes not attached to corpora-
tions. The application of preferential
rate plan, therefore, gives certain indi-
viduals an advantage but with no cor-
responding decrease in hazard. He or-
ders all such discriminatory rates re-
moved.

Wisconsin Assessment Test

MADISON, WIS., Feb. 24.—A test
case on assessment insurance associa-
tions was started by the Wisconsin de-
partment with the arrest of J. A. Egan,
secretary of the Wisconsin Automobile
Protective Association.

Egan is charged with violating the
insurance laws by selling association
memberships after the department held
these associations are illegal. He is said
to have sold 1,500 memberships in Dane
and Sauk counties at \$5 each.

The test case will also determine the
status of the many life insurance asso-
ciations, also operating on the assess-
ment plan, which has been declared in-
valid by the department.

Injunction proceedings will be brought
by the association to halt further action
by the Wisconsin insurance commis-
sioner, similar to that brought by or-
ganizers of the Badger State Auto Pro-
tective Association of La Crosse.

Conditional Ownership Issue

The Massachusetts supreme judicial
court in *Faris vs. Travelers Indemnity*,
has held that a false statement of the
insured in application for collision pol-
icy as to ownership justifies the insurer
in denying liability. The motor vehi-
cle was sold to Faris under a contract
of conditional sale, title to remain in
the seller until the purchase price was
fully paid, but Faris in applying for in-
surance claimed complete ownership.
The higher court said that the policy
was issued upon the condition of com-
plete ownership and Faris therefore can-
not recover.

Mortgagee Can Recover

The Nebraska supreme court holds
that a mortgagee, who for his own bene-
fit applies for insurance on a mort-
gaged automobile disclosed the facts es-
sential to underwriting, paid the pre-
mium and procured and retained the
policy all without the knowledge of the
mortgagor, may in a proper case re-
cover a loss in his own name under a
loss payable clause, even though the
mortgagor was named as the assured
and had parted with title to and pos-
session of the car before it was burned.
This was the case of *State Credit Com-
pany vs. National Old Line Life*.

Form Auto Club Insurers

A Pennsylvania charter has been is-
sued to the Philadelphia Automobile
Club Insurers. Incorporators are J. T.
Haviland, who is treasurer of the new
company; A. D. Smith, R. P. Hooper
and F. E. Ballantyne. Mr. Hooper is a
former president of the Pennsylvania
Motor Federation.

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Haller Delivers Warning on One-Sided Contracts

(CONTINUED FROM PAGE 4)

taining to agency relationship. Worst of all is its termination clause, which regardless of the cause of termination, specifically deprives the agent of any further rights in any commissions developed or accrued after the termination date.

"The enforcement of this clause would mean that all excess audits, renewal premiums or court or public official bonds that could not be transferred, additions to policies in force at the date of termination and any other commissions developed after that date, belong to the company.

Multiplicity of Contracts

"Between these two extremes, almost any type of contract that human eccentricity can devise, will be found.

"The contract that appeared in your issue of Jan. 14 is characteristically one-sided, in that every section thereof, with the exception of Section 9, is devoted to the protection of the company's interests.

"It is admitted that agencies are built, not on company capital or through company effort, but by the agent and his capital.

"Companies can and do withdraw from agencies or from entire territories, through no fault of their representatives, who are always severely injured thereby. They can and do many other things that unduly penalize their agents.

Protection of Agent

"All contracts in equity should protect equally the interests of both parties or of as many parties as are involved therein. No contract, particularly in the insurance business, can be drawn to specifically provide for every set of circumstances that can arise, but the general interest of the agent can be comprehensively defined as easily as those of the company and just as adequately protected.

"Section 9 of the contract referred to, goes a long way towards giving the agent an opportunity to establish any rights he may have against his company without being compelled to resort to litigation.

"It is to be hoped that the conferences will produce both results and that the editorial department of every insurance publication of the country will give positive support to this movement, with full recognition of the rights of agents as well as to those of companies."

NED S. HUBBELL IN CRITICISM

Ned S. Hubbell of the Cadillac Insurance Agency of Detroit has written to THE NATIONAL UNDERWRITER criticizing the proposed uniform agency contract as a half-measure and advocating the establishment of the business on a cash basis. Any kind of a contract, under which the agent is permitted to extend credit to the client, will be no more successful than the present system, he believes. Mr. Hubbell is convinced that the companies concur in this view, but are timid about taking what he contends is the progressive step of putting the business on a cash basis.

One of the capital features of the proposed agency contract is the definition of premiums collected by the agent as a trust. Agents, according to Mr. Hubbell, have always regarded premiums as trust funds. The agent has been a victim of bank failures, bankruptcies, defalcations, etc., Mr. Hubbell states, because he has been forced to sell insurance and wait for his money. He would welcome coordinated effort on the part of the companies to put the business on a cash basis inasmuch as the individual agent is powerless to take that step himself, because of competitive conditions.

"Are all responsible agents," he asks, "who have their backs to the wall and are fighting for their very existence, going to be 'left on the spot' facing the

Galley Proofs

The Louisiana Blue Goose has opened an insurance library at 422 Canal Bank building, New Orleans. R. H. Colcock, Jr., James F. Miazza, Sr., L. A. Nelson, J. I. Wagner and Alonzo Church, chairman, constitute the committee in charge. The Blue Goose hopes to make this library one of great use to the fraternity and it is soliciting books relating to insurance.

* * *

The death of George Louis Hoehn, 76, Mount Vernon, Ind., removes an unusual figure in the local agency ranks. Some years ago an infection made it imperative to amputate one leg and two years later the other had to be taken. In spite of handicaps he continued to build his business and developed a large agency there. For two terms he was county treasurer and took an active part in politics.

* * *

Carl F. Sturhahn, president of the Russia Insurance company of America, has donated \$2,500 from personal funds to aid in effecting an organization in Hartford to combat unemployment. Mr. Sturhahn hopes that a plan similar to that put in operation in Rochester will be established in Hartford. He has written 250 letters to leading civic and business men urging their cooperation. The basis of the Rochester plan is "a dollar put to work is better than a dollar given to charity." Citizens will be asked to pledge the spending of any sum they desire within three months to improve their homes, stores and factories.

* * *

The St. Paul Fire & Marine is interested in a letter it received from Clemens Meyer, its agent at Meire Grove, Minn., because the stationery he used came from a supply sent him when he was appointed in 1898. It seemed as fresh as the day it reached him. At that time the cash capital was \$500,000 and the assets \$2,286,561. The officers as registered on the stationery were C. H. Bigelow, president; A. W. Perry, secretary, and W. S. Timberlake, treasurer.

* * *

Aviation underwriters, as well as airline operators, would be very glad to have a legal limit of \$5,000 for the amount an airplane passenger's heirs

could recover in case the passenger died in a plane crash, as proposed by Gen. J. F. O'Ryan, writing in the current issue of the "Air Law Review." He bases his plan on the idea air transportation is still in its formative stage and that the passengers should assume the extra hazard involved as compared with other means of travel. It is pointed out by some aviation underwriters, however, that a maximum of \$5,000 might also be a virtual minimum of \$5,000, for the tendency would be to pay that amount for each passenger who died, whether or not it was the operating company's fault.

* * *

Agent E. E. Braden of Macedonia, Ia., tells of a peculiar and unusual automobile fire loss. Postmaster Patton of Gowry, Ia., and his wife were driving to Macedonia. Before starting from home Mr. Patton set a glass jug of gasoline in the car. The rays of the sun struck the jug and focused on the upholstery along the side of the car. It became ignited but the fire was put out before the jug became hot enough to explode.

* * *

The February issue of the "Nation's Business," official organ of the U. S. Chamber of Commerce, contains an article on "The Political Betrayal of Insurance," from the pen of H. S. Ives special counsel of the Association of Casualty & Surety Executives.

* * *

Despite the opportunity offered for puns and bright sayings, it is true that the Freeze & Cole agency at Jonesboro, Ark., has undergone a change in name and now smacks still more of frigid temperatures, being Freeze & Freeze. The change was made when W. M. Freeze bought the interest of Y. A. Cole and took his son, H. C. Freeze, as partner.

* * *

Under a decision of the California supreme court, damages were assessed against a man for the death of his mother-in-law in an automobile accident. The man, at the time, was driving the car, which belonged to his mother-in-law. The case was Bachman, Administrator, vs. Independence Indemnity.

Fewer Field Men; Higher Expenses for Those Left

Some of those managers who have been reducing their field staffs find that the saving in expenses was not as great as was anticipated. Usually when the services of a field man are dispensed with or when it is decided not to fill a vacancy caused by death, other special agents are given more territory or more agencies to visit in their present territory. That means increased traveling expenses for the men who remain. One manager, taking the hypothetical case of a territory in which five field men operate is reduced in man power to four special agents, the saving is not twenty percent, as might be supposed, but is likely to be less than ten percent, because of higher traveling expenses.

same credit conditions as in the past, or will the fire and casualty companies come to the rescue with a plan comparable to that so successfully used by the life companies?"

American of Newark

Motor vehicle premiums of the American of Newark were given as \$162,361, where as they were \$762,361.

New Orleans Dock Board's Cancellations Overturned

NEW ORLEANS, Feb. 24.—Holding that the dock board did not have the right to cancel fire insurance policies totaling approximately \$11,000,000, Judge Cage overruled the exception of the board in a suit brought by Leon Irwin & Co. to recover \$9,250, which is alleged to represent the amount of loss suffered by the firm due to the cancellation in April, 1931. Judge Cage ordered trial of the suit upon its merits.

Three-year policies were taken out with Irwin & Co. after advertisement by the board in 1931 and the business placed with other offices. The defendant maintained that the only policies which the plaintiff could lawfully furnish the board were "New York standard policies, containing a mutual right of cancellation," and, therefore, this right was understood.

"In my opinion," Judge Cage held, "this position is absolutely mistaken and unfounded. It is the clear intention of the parties that they are bound as they intended to bind themselves and that for three years the defendant was obliged to take, accept and pay for the insurance furnished by the plaintiff."

The judge pointed out that two pro-

Boy Scouts to Make Fire Prevention an Activity

Through the efforts of I. D. Goss, farm manager for the America Fore companies, the national council of the Boy Scouts is incorporating fire prevention as an activity. Fire prevention tests are to be included as a requisite for the firemanship merit badge of the Boy Scouts, which is one of the popular objectives of the boys. A committee headed by Capt. F. C. Mills, national director of health and safety service of the national council of the Boy Scouts, will prepare the fire prevention requirements. Other members of the committee are Mr. Goss, R. E. Vernor, Western Actuarial Bureau; T. Alfred Fleming, director of conservation for the National Board; R. S. Moulton, technical secretary National Fire Protection Association; C. I. Wellborn, Underwriters Laboratories, and Paxton Mendelssohn of Detroit.

Mr. Goss conceived the idea some time ago. He consulted with the National Council of the Boy Scouts and induced the National Fire Waste Council to request the Boy Scouts to give attention to fire prevention.

Give Far East Rates

Additional rates on future shipments of general merchandise (excluding specie, cotton and raw silk) to and from ports in the Far East, for strikes, riots, war and civil commotion insurance, including confiscation, are published by the American Institute of Marine Underwriters. They are:

To Chinese ports north of Shanghai (except Tientsin)—Subject to the usual 15 days limit clause, $\frac{1}{4}$ percent; waterborne only, $\frac{1}{8}$ percent.

From Chinese ports north of Shanghai (except Tientsin)—Subject to the usual warehouse to warehouse clause, $\frac{3}{8}$ percent, waterborne only, $\frac{1}{8}$ percent.

Manila—The rate of $7\frac{1}{2}$ cents as of Feb. 11, quoted on shipments to and from Manila is subject to the usual warehouse to warehouse clause, waterborne only—Rate to and from Manila, $3\frac{1}{2}$ ¢.

Roberts and Thomas Change

NEW ORLEANS, Feb. 24.—C. E. Roberts, for many years New Orleans marine department manager of the Home of New York, has returned to the Pacific Coast to take charge of the Home's marine department there. He was originally from the coast. Mr. Roberts addressed the Marine Underwriters Association of San Francisco on marine conditions along the Mississippi river and in the Gulf of Mexico. He has been succeeded in New Orleans as manager of the marine departments of the Home and Franklin Fire by A. G. Thomas, a native of New Orleans, who has been identified in marine insurance here for more than 20 years.

Company Given Extension

The Mutual Fire in Harford County, Md., is given additional time by the Virginia corporation commission to restore the surplus to \$200,000, the amount required under laws of that state in which it has been operating several years.

When the 1930 statement showed surplus approximately \$115,000 it was cited before the commission early last year and then given an extension to restore its surplus by the end of 1931. The surplus was increased to \$170,326, the report for that year discloses. Now time is further extended to April 30, 1932.

posed contracts were submitted and that the plaintiff chose the first, which had no cancellation clause, while the alternative agreement, which included such a clause, was rejected.



A RUDE AWAKENING

A sweet dream changes to a nightmare. A nightmare turns into reality. Yes, there really is a fire. Our pajamaed friend has got to step fast. He probably can save his life. His chances of saving the many valuable paintings and works of art which adorn the expensive mansion in which he lives are not so good . . . Many have had a rude awakening when they realized, after a fire, that their insurance was inadequate or that it was placed in a company which was not financially strong . . . The steady growth of The Employers' Fire Insurance Company; the fact that it is a member of the group of companies headed by the world's pioneer in liability insurance; its prompt

and just method of dealing with claims; its financial

strength . . . all these factors contribute to the confidence placed in it by thousands of agents and brokers . . . Experience does count. When you place your fire insurance with The Employers' you may feel sure of the insurance. You may feel sure that both your client and yourself will receive "The Service That Satisfies." . . . Keep in touch with selling ideas as developed by The Employers' Fire Insurance Company. Send a post card requesting that your name be added to the mailing list of The Employers' Pioneer. You have nothing to lose. One idea that you may get in this way might increase your premium income considerably. Send your request today.



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The National Underwriter

February 25, 1932

CASUALTY AND SURETY SECTION

Page Thirty-three

Non-Can Rates to Increase March 1

Average Boost Around 40 Percent
Seen in Action of Two
Companies

RADICAL POLICY CHANGES

Pacific Mutual and Continental Casualty of Chicago Putting New Forms on Market

Non-cancellable accident and health rates will make a sharp increase March 1, in line with the announcement of the Pacific Mutual, the Continental Casualty and Continental Assurance of Chicago, based on new forms, some added restrictions and refining of phraseology which makes clearer contracts.

The Continental and Pacific Mutual, which are the recognized leaders in this field, have attacked the problem of high non-can loss ratios from different angles, although their new provisions are in many respects identical. The Pacific Mutual is maintaining contracts with 30, 60 and 90 days elimination period, optional with applicant, whereas the Continental after March 1 will write non-can only with three months elimination.

Other Differences Noted

In another respect they differ. The Pacific Mutual continues life-time indemnity with some restrictions, whereas the Continental is bringing out two forms, one giving 100 months coverage and the other a new contract giving 50 months protection. The Continental will write only the aggregate forms.

Its contention is that about 98 percent of all buyers of non-cancellable accident and health have no chance to profit by the lifetime clause, which continues the income for lifetime only if disability continues that long, and therefore a tremendous percentage of policyholders under the 50 months clause can effect a large saving in premiums, which is estimated around one-third.

The Pacific Mutual's rate increase averages between 35 and 40 percent, the Continental's around 40 percent.

Both companies after March 1 will write non-can only to age 50, going off the risk at age 55, and will renew only to age 55. In the past both of them wrote up to age 55 and renewed to age 60.

The two companies also have set a maximum non-can monthly income of \$300 and maximum participation limits of \$750 a month. The Pacific Mutual, however, will write in connection up to \$15,000 accidental death benefit, whereas the Continental limits to \$6,000, the rule being \$2,000 principal sum for each \$100 monthly income.

The unique provision in the Pacific Mutual contract is that while a continuous monthly income will be con-

Demerit Plan Introduced, Tariff Modified in N. Y.

NEW YORK, Feb. 24.—Following the suspension under mandate of the insurance department, of the automobile public liability and property damage rates promulgated by the National Bureau of Casualty & Surety Underwriters as of Jan. 18, representatives of the bureau and the New York Mutual Automobile Rating Bureau, at the suggestion of Superintendent Van Schaick, revised their rate filing in the light of the combined experience of all carriers, with the result that a new schedule has been adopted for both bureaus, with the sanction of the department, and becomes operative on all policies where coverage attaches on or after March 1.

A new demerit plan made part of the filing, provides for a surcharge of 10, 25 or 50 percent in the premium for assureds guilty of violating the vehicle and traffic law of the character described in the financial responsibility act. The 10 percent surcharge will be imposed upon those who have failed to satisfy a judgment resulting from an automobile accident or who have been convicted of operating a car without a license. The 25 percent penalty will apply to those guilty of driving at an excessive speed or in a reckless manner where injury to persons or property

resulted, while the 50 percent penalty must be paid by any one convicted or driving while intoxicated, failing to stop when involved in an accident or convicted of homicide or assault arising out of the operation thereof.

Effect of New Rates

The new level of rates, which will be observed by the majority of the stock companies and all of the mutuals, are lower in a number of instances than those previously approved though they remain the same so far as New York City is concerned for public liability cover. In Buffalo for example the new schedule for liability is \$50 for both light and medium private passenger cars and \$62 for heavy machines, as against \$53 and \$62 previously charged. The property damage rates in the same city and for the three classes of cars are unchanged; the tariffs in both schedules being \$13 and \$16 respectively. The most pronounced change probably is in Utica, which now has a rate of \$39 for liability for both light and medium weight cars and \$55 for heavy machines, compared with \$52 and \$61 previously charged. The property damage rates in the same city are now \$16 and \$20, as against \$19 and \$23 called for under the Jan. 19 schedule.

tinued for life during disability, at age 60 it will be cut 50 percent.

The insuring clause in the Pacific Mutual's new contract shows considerable change, the original clause having prohibited the assured from doing any kind of work in order to get the income; whereas now the clause is made up of two distinct clauses: One, to pay the monthly income for disability prohibiting the insured from engaging in his own occupation, this governing during the first year of the contract; and two, to pay the income only if insured is unable to engage in any gainful occupation.

Still Issue Old Forms

Present policies of both companies at present rates will be issued in all cases where medical examination is made before March 1 and received at the home office within the time usually allowed for transmission by mail. Additional or on trial policies are required by the Pacific Mutual to be based on medical made prior to March 1 and requested before March 15 if the present forms and rates are to apply.

The Continental's viewpoint in writing non-can is that annuities have been growing greatly in popularity and it is believed most non-can buyers are protecting their old age through annuities or other income forms sold by life companies.

Claypool's Statement

"The non-can policy is coming into its own," G. F. Claypool, executive vice-president of the Continental Assurance, stated, "thus giving coverage for true disability in the business life. The opportunity of collecting for 100 months total disability is slim. Money for money, the new 50 months contract

offers much more than any other non-can form on the market."

The Continental used to issue one, two, three and six months elimination periods, but it was found that approximately 90 percent of all business was written with the three months clause. The Continental's new contracts contain the standard aviation rider giving protection on approved lines, etc. The company will continue to issue the hospital indemnity clause by rider, giving protection from the first day during elimination period.

Polite Much Clearer

The policies have been considerably clarified, phraseology is much more concise and technical phrases have been eliminated wherever possible, with the result, it is believed, that it will be much simpler to adjust bona fide claims and the company will have less difficulty.

(CONTINUED ON PAGE 39)

Mellbank Surety Formed to Serve Mellon Banks

PITTSBURGH, Feb. 24.—The Mellbank Surety Corporation was recently organized to meet a situation brought about by the change in underwriting policy of surety companies in respect to depository bond offerings. This latter materially limited the facilities of the Mellon banks in handling deposits of public monies. In order to take care of this situation and until conditions permit a return to larger acceptance of such liability by the established bonding companies, the new corporation will serve a most useful purpose.

Commissions Not Sole Cost—Bennett

Agents' Secretary Says Producers' Compensation Threatened Along the Line

OTHER EXPENSES HIGH

Acquisition Cost and Commissions Are Not Synonymous, Springfield, Mass., Men Hear

A set of principles on the basis of which agents may resist reduction in commissions was expounded before the annual meeting of the Springfield (Mass.) Association of Insurance Agents by W. H. Bennett, secretary of the National Association of Insurance Agents. His central theme is that commissions and acquisition cost are not synonymous and that all items making up acquisition cost must be considered.

Agents can never subscribe to reduction in commissions because of underwriting losses, Mr. Bennett set forth as one of the fundamentals. That should be properly cared for in the rate.

No consideration should be given to changes in rules or commissions predicated on investment losses.

There must be absolute equalization of production costs of branch offices and general agencies on a unit basis. Present acquisition costs must be separated into the two factors of commission and other production and supervision expenses.

Top Commission Class

There must be a proper qualification and classification of those entitled to top commissions.

There must be actual limitation of general agencies and branch offices, in accordance with the present rules or such proper amendments as may be adopted. There must be complete and uniform enforcement of the adopted rules as a necessary stabilizing factor.

Mr. Bennett said that after hearing from Superintendent Van Schaick of New York his ultimatum that reform must be accomplished by Feb. 15, the casualty and surety acquisition cost conferences held a joint session and gave immediate consideration to reducing acquisition cost in compensation, depository and contract bonds.

"On every side," Mr. Bennett declared, "there is a rumbling of 'down with acquisition cost' and as the rumbling grows louder, there is increasing evidence that by acquisition cost is meant agency commission alone without taking into any consideration the other elements, such as field supervision and branch office costs. I think the time has come when the organized agents should take a firm stand unless they find their earnings, already lopped off here, there and yonder, reduced to the point of penury."

(CONTINUED ON PAGE 39)

Compensation Rate Increase Is Approved by Missouri

MEANS \$350,000 MORE PREMIUMS

Superintendent Grants Average Raise of 6.4 Percent in Schedule—Effective as of Jan. 1

ST. LOUIS, Feb. 24.—Under a revision of the rates for workmen's compensation insurance authorized by Superintendent Thompson on Feb. 20 and effective as of Jan. 1, Missouri compensation premiums will be increased \$350,000 annually.

In the new schedules authorized by Superintendent Thompson there are some decreases. Some of the rates are the same as charged in 1931 but the vast majority of the classifications are revised upwards. The new charges are based on the companies' actual experience in the state.

In their application for increased rates filed last December the companies had sought an average raise of 11.1 percent, including a flat raise of 4.3 percent to apply to all classifications and intended to offset losses due to the general depression. However, Superintendent Thompson rejected the request for the 4.3 percent flat raise, contending that the companies had failed to prove their case at a public hearing.

Grants Virtually All Increases

While he rejected the 4.3 percent flat raise Mr. Thompson granted the companies virtually all of the increases they asked based on their underwriting experience in the state. They asked an average of 6.8 percent and he granted them 6.4 percent on the average.

Since Jan. 1 companies have been writing open policies, awaiting the decision on their request for higher rates. The new rates will cover the policies already written this year.

Last September Mr. Thompson allowed an increase of 1 percent to cover additional medical costs arising from amendments to the compensation act. At that time the companies had sought an additional increase of 4.5 percent, including 3 percent emergency allowance to cover losses expected from the business depression and average increases of 1.5 percent for occupational disease coverage. Under Superintendent Thompson's recent order the coverage for claims arising from occupational disease remains in all of the compensation insurance policies.

Of the 700 classifications in Missouri 235 classifications represent about 90 percent of the total business. Of these 235 classifications increases were allowed for 176 while 28 were reduced and 31 remain under the same rates as in 1931. The increases allowed range from one cent to \$5.52 for \$100 of payroll. The decreases in the more important classifications revised downward range from one cent to \$1.14 per \$100. The biggest increase was from \$8.82 to \$14.34 for tunnelling operation while the largest cut was in cement manufacturing, that rate being lowered from \$4.11 to \$2.97.

Proposals to Change Bay State Law Are Rejected

The lower chamber of the Massachusetts legislature has accepted adverse reports on 13 proposals affecting the existing compulsory automobile insurance law. Among the rejected proposals was the so-called flat rate bill; plan to limit coverage under the compulsory law to injuries or deaths suffered by other than occupants of cars; petition for investigation of mutual companies; petition that owners be required to pay penalty rates; petition for establishment of a rating and control board to fix compulsory rates.

New Company Head



COL. W. L. TAYLOR

Col. W. L. Taylor of Chicago, former Federal Surety president, well known to insurance men of the country, has been elected president of the new Midwest Indemnity & Insurance Co. of Oklahoma City.

Missouri Superintendent Files Suit for \$131,864

Suit has been filed at St. Louis by the Missouri insurance department against former officials of the Continental Indemnity, one of the Darby A. Day companies which now is defunct, to recover \$131,864 assets alleged to belong to the company. The individuals named are W. P. and J. C. Anderson of St. Louis, J. B. McCutchan of St. Louis and Mr. Day. Superintendent Thompson of Missouri, who is receiver for the Continental Indemnity, filed the action. W. P. Anderson, president of the Gideon-Anderson Company of St. Louis, a lumber concern, formerly was chairman of the board of the Chicago Fidelity & Casualty, the parent company in the Day fleet; and J. C. Anderson, vice-president of the lumber company, was a director.

Many suits have grown out of the Day crash and Messrs. Day and McCutchan have been indicted by the federal grand jury at Kansas City on charges of using the mails to defraud.

The Continental Underwriters Company has filed suit against Missouri directors of the Chicago F. & C. for \$200,000. All of the Darby A. Day companies of course now have gone into receivership.

Would Restrict Expenses

ALBANY, Feb. 24.—The insurance department is sponsoring a bill providing that mutual life and casualty companies shall not expend more than 30 percent of their total earned premiums for management expenses in any one year. Expenses for investigation, adjustment, settlement of claims and for taxes are exempt.

Opens Casualty Adjustment Bureau

The Casualty Adjustment Bureau of Maine has been organized with an office at 85 Exchange street, Portland, to give casualty claim service to companies in the Maine field. It will be managed by R. K. Williams, an experienced adjuster, thoroughly acquainted with agency and field conditions in the territory.

Vice-President Kenneth Spencer of the Globe Indemnity was in Chicago Tuesday consulting with Chicago Manager W. W. Steiner.

Waiver Only Plan Forecast for Group Disability Soon

EXPECT STRICT LIMITATIONS

Heavy Losses Forcing Companies to Protect Themselves in Line With Group Association Proposal

NEW YORK, Feb. 24.—Group disability is practically certain to be on a waiver only basis within the next few months. Several leading companies already tentatively have agreed to follow the plan recommended at the Group Association meeting here Feb. 16.

This would eliminate entirely payments, either installments or lump sums, for total and permanent disability, and substitute a clause providing that an employee leaving service on account of total and permanent disability would have his group coverage continued for a specified time without charge. The period of this extended insurance would be equal to the time he had been employed, but in no case would it exceed 12 months.

Variations Are Expected

Employees leaving for other causes than disability would, of course, have to convert to the ordinary life plan to continue their protection.

With some companies there will be minor variations. For example, one company plans to limit maximum period of extended insurance to three months where disability takes place after age 60. It is believed that this provision, which makes it necessary for an insured to die to collect, will effectually check the heavy losses companies have been suffering on group disability. While it is understood that a more liberal clause would have been preferred by some, the general feeling is that drastic steps are needed.

Illinois Federation Is to Meet in Chicago March 22

Important business, including a definite program for the future of the Insurance Federation of Illinois is to come up at the annual meeting, the date for which was set Tuesday as March 22 in the Hotel La Salle, Chicago. There will be, for the first time in two years an election. That formality, together with the annual meeting, had been dispensed with last year due to economy measures, and Harold M. O'Brien, Chicago Fire & Marine, holding over another year.

The nominating committee headed by I. M. Hamilton, president Federal Life, is understood to have named a slate, but this is not to be divulged until presentation at the March meeting. Other members of the committee are: J. E. Callender, Ocean Accident; L. J. Kempf, Travelers; S. T. Whatley, Aetna Life; L. M. Drake, Critchell, Miller, Whitney & Barbour; A. F. Powrie, Fire Association, and Mr. O'Brien.

The federation, according to E. M. Ackerman, executive secretary, has had a successful year, having achieved much in a legislative way and having had good support of members, financially and otherwise. It is in excellent financial shape, having retired bank loans and having a substantial sum of cash on hand.

Much work lies ahead, however. The next general assembly, following special sessions on tax and other vital matters, is expected to consider many bills of great importance to insurance men, and the hope is that the federation will be prepared. One measure confidently expected to appear is to create a state rating bureau for workmen's compensation, and this idea is opposed by the federation.

Chief Executives in Pledge to Van Schaick on Costs

SUPERINTENDENT IS PLEASED

New York Official Characterizes Action of Casualty and Surety Officials as Splendid

NEW YORK, Feb. 24.—Chief executives of practically all casualty and surety companies operating in New York and throughout the country generally have formally pledged Superintendent Van Schaick "that they will keep acquisition and field supervision costs within the limitations prescribed by the company conferences" and will comply with all the rules and regulations thereof, giving wholehearted assistance to a more effective control.

Characterizing this action "as an example of splendid public service," Mr. Van Schaick states that "for the first time since the acquisition cost problem received serious attention, the department is in position to enforce the rules and limits," the pledges affording a basis "underlying the department's approval or acceptance of filed rates.

Van Schaick's Comment

The few companies that have failed to obligate themselves to the regulations, the superintendent adds, "are relatively unimportant and will be dealt with in such manner as to prevent their exercising a destructive influence in the business."

The importance of the present movement, Mr. Van Schaick observes, may be appreciated from the fact that stock casualty and surety companies licensed in New York wrote \$651,561,406 in premiums in 1930; spending thereof \$137,803,566 for commissions and \$33,894,703 for other production expense; or a total of 26.4 percent of the premiums.

Negotiations Reviewed

The superintendent reviews at some length the efforts put forth to limit acquisition costs during the past seven years, with little result until agreements were reached following the general gathering of company executives here Jan. 22, when they were warned by the superintendent that unless they could reach an accord "the state would be obliged to intervene."

Trailer Not to Blame for Wreck, but Exclusion Valid

The trailer exclusion clause in an automobile liability policy applies even though the fact of the trailer being attached to the motor vehicle is not the cause of the accident producing a claim. This was the decision of the Mississippi supreme court in Adams, et al., vs. Maryland Casualty.

Adams, whose son was injured by the truck of the insured, contended that there was no causal connection between the attachment of the trailer to the truck and the injury to his son, for the collision occurred between the front part of the truck and the front part of the car which was wrecked.

The Mississippi supreme court said that the contention of Adams is not valid because the insurer did not assume to insure against injuries in the operation of the truck with the trailer attached. It was permissible for the Maryland Casualty to make the contract, specifying the particulars in such policy that would afford indemnity to the insured. Adams does not bring himself within the terms of the policy, and one who is not a party to a contract, but for whose protection a policy provides, can stand only upon the terms of the contract, and if he does not bring himself within those terms, there is no liability in his favor.

Expect Changes to Be Approved

Majority of Companies Probably Will Modify Low Cost Auto A. & H. Policy

RATES ARE BEING RAISED

Prevailing Sentiment Is That This Coverage Be Placed on Self-supporting Basis

There appears to be a general movement toward tighter underwriting and increased rates on the special \$5 and \$10 automobile accident policies. It is believed that a majority if not all the companies, both members of the Bureau of Personal Accident & Health Underwriters, which has adopted a definite program in this matter, and those outside that organization, will raise the rates, adopt restrictions or both.

No action has been taken officially by the Health & Accident Underwriters Conference, but a number of its members are increasing rates or putting in limitations.

Several Proposals Made

Among the proposals being considered are a 20 percent increase in rates, making the policies \$6 and \$12, respectively; limitation to 40 percent on partial disability benefits with a limit of 26 weeks; reduction of death benefit and positive declination to assume any liability for death or injury to an assured caused by carbon monoxide gas poisoning.

These recommendations by the governing committee of the bureau were not directly connected with its general program of underwriting reform, but were the result of a study undertaken at the request of some member companies which felt that even an informal promulgation by the bureau would tend to result in a measure of uniformity.

Changes Effective March 1

It would appear that all bureau companies plan to make effective, March 1, either a 20 percent increase in rates or 20 percent reduction in benefits, the larger number preferring the rate increase on the basis that this policy really should cover the field of automobile accidents as it purports to do. On the other side is the argument that the round sums of \$5 and \$10 have had a psychological effect in popularizing these policies.

One thing is certain, the companies writing this coverage are convinced that it must be made self-supporting. Automobile accidents have been steadily on the increase and there have been many deaths from monoxide poisoning.

The companies have suffered under this form from many undoubted suicides, but proof of a suicide by monoxide gas is almost impossible to obtain and the only course open to companies is to settle the losses as best they can. This is a type of fatality which can and does happen naturally and juries nearly always give the bereaved family the benefit of the doubt.

The average auto policy is issued in two forms, one providing \$1,500 principal sum and \$25 weekly indemnity, costing \$5 a year; and the other, for \$10 annual premium, giving \$5,000 death benefit. It is now proposed to reduce the principal sum in the smaller contract to an even \$1,000 and to raise the premium to \$6, and to charge \$12 for the larger contract.

(CONTINUED ON PAGE 39)

Midwest Indemnity Soon Is to Start at Oklahoma City

W. L. TAYLOR IS PRESIDENT

Will Have \$400,000 Capital and \$800,000 Surplus, Writing Casualty and Surety Lines

Col. W. L. Taylor of Chicago has been elected president and general manager of the Midwest Indemnity & Insurance Company, now being organized in Oklahoma City, which expects to be ready for license in two months. It will have \$400,000 capital and \$800,000 net surplus. John B. Tripp, president of the Midwest Bonding & Indemnity of Oklahoma City, who is the fiscal agent and the main factor in establishing the company, desired to get an insurance man of wide experience to guide the destinies of the new institution. It will write various casualty and surety lines, although the charter is to be changed to eliminate steam boiler, sprinkler leakage and live stock insurance. Colonel Taylor recommended the reorganization of the institution and a change in name.

Will Have Complete Management

Mr. Tripp some time ago consulted Colonel Taylor regarding the organization of the company and in this way the two men got together. Colonel Taylor after going over the records recommended that a new charter be taken out and the stockholders transferred to the new institution. The plan of organization has now been approved by the Oklahoma state authorities. Colonel Taylor has been in Oklahoma City for a week or so but returned to Chicago and is leaving again for Oklahoma to take up his permanent work there this

Kentucky Would Like to Have Its Tithe and How!

A bill has been introduced in the Kentucky legislature to tax surety companies 10 percent of their gross premiums, the levy not to be less than \$10,000 per year for any company. The act would require establishment of a surety rating bureau. Exemption would be made for Kentucky owned companies, but there are no companies of this kind in Kentucky.

week. He will have the complete management of the company. He states that the board of directors is composed of substantial and successful business men in Oklahoma. President Taylor announces that the new company will be conducted along strictly orthodox lines and will belong to the various bureaus. He has been a staunch friend of the American agency system and has always taken a great interest in conserving the rights of agents.

Colonel Taylor went with the Federal Surety in 1920 before it started and in nine years built it up to an institution of over \$4,000,000 assets doing business in the 48 states and having 1,500 agents, who produced \$3,500,000 in premiums. He remained with the company until the ownership changed. He feels that there is a big opportunity for a company in Oklahoma.

Mr. Tripp has been successful in handling various enterprises and will continue as the fiscal agent. The company has its office in the Midwest building in Oklahoma City.

In a recent issue the capital of the Great American Indemnity was given as \$1,000,000. Its capital is \$1,250,000.

Builds Up Its Legal Staff



DEAN TROTT



HARRY D. BEGGS

Announcement of the addition of two attorneys to the legal staff of the Western & Southern Indemnity is made by W. C. Safford, vice-president and general manager.

The new members of the staff, Dean Trott of Columbus and H. D. Beggs of Cincinnati, each have enjoyed a long experience in legal and insurance work.

Mr. Trott comes from the Ohio insurance department, where he was attorney examiner. He is a graduate of Ohio State University where he enjoyed not only an enviable reputation as a student of law but was well known also in the field of athletics, having been prominently mentioned by football critics as an all-American guard. Mr. Trott took post-graduate work at Col-

umbia. Prior to his connection with the insurance department, he was engaged in the practice of law at Columbus, being associated with his father, one of the well known insurance lawyers of Ohio.

Mr. Beggs is a son of the late W. J. Beggs, who at the time of his death was vice-president of the Western Fire Company of Fort Scott, Kan., and was a former Ohio field man and later Cleveland local agent. Mr. Beggs was graduated at Hobart College and the Western Reserve law school.

Before making his connection with the Western & Southern Indemnity he had been associated with the legal firm of Hackney & Welsh in Kansas City, Mo.

Auto Toll in 1931 Is Set At 34,400

Travelers Survey Shows 3 Percent Rise Although 20 States Report Drop

FIGURE IS PROVISIONAL

Estimate Is Based on Records of 44 Commonwealths and District of Columbia

Automobile accident deaths loomed greater than ever in 1931, yet 20 states reported reductions in number, the Travelers announces on the basis of reports from 44 states and the District of Columbia.

Some of the figures are provisional, since complete data will not be available for several months. This means that the indicated percentage of increase in motor vehicle deaths for the country as a whole is not as great as final corrected figures will show.

Report 34,400 Deaths

Fatalities are placed at 34,400 for 1931. This takes into account the number of fatalities normally received when final figures are available, and produces an increase in deaths of slightly more than 3 percent.

The New England, middle Atlantic, east south central, south Atlantic and Pacific Coast states reported increases as follows: 3.96 percent in New England states; 2.12 percent in middle Atlantic; 1.84 percent in east south central; 4.49 percent in south Atlantic, and 10.47 percent on the Pacific Coast. Decreases were: 1.73 percent in the east north central states; 7.71 percent in the west south central; 1.34 percent in mountain states, and half of 1 percent in west north central.

Some Heavy Increases

Analysis shows that seven states had gains of less than 5 percent, the increases amounted to more than 5 but less than 10 percent in eight states, more than 10 but less than 20 percent in five states and the District of Columbia; more than 20 but less than 30 percent in two states, and 30 percent and more in two states.

Among the 20 states showing decreases, 12 report decreases of less than 5 percent, three decreases of more than 5 but less than 10 percent, three decreases of 10 but less than 20 percent, and two decreases of more than 20 percent.

Nevada led for percentage increase with 66.67; Wyoming second with 37.68, and Montana third with 25.71. Increases in some other states were: Connecticut 15.31; District of Columbia 18.66; Kentucky 15.49; Maryland 11.62; Oregon 18.02; Virginia 19.7 and Washington 17.19. Total fatalities reported was 29,053 against 28,626 in 1930.

Analyzes Accident Figures

The Travelers exhaustively analyzes accident figures in its elaborate annual pamphlet, this year entitled: "Tremendous Trifles—Minor Decisions of Major Importance."

Some of the interesting facts and conclusions are that 34,400 persons were killed and 997,600 injured in 860,000 automobile accidents in the United States last year. Human errors of drivers and pedestrians accounted for nine out of ten accidents. Although there was only a 3.3 percent increase in the number of fatalities in 1931 over 1930, there was a decrease in registra-

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NEWS OF THE COMPANIES

Two Officials Are Promoted

Washington National of Chicago Advances C. B. Crawford and H. Brookes Kendall of Its Staff

C. B. Crawford, formerly vice-president in charge of the midwest division of the Washington National of Chicago, has been made senior vice-president and in that connection will be production manager. H. Brookes Kendall, assistant vice-president, who has been aiding Mr. Crawford in the management of the midwest division, is now made vice-president in charge of the midwest work. In 1918 he started his insurance career in the Kentucky Actuarial Bureau of Louisville, the fire insurance rating organization. Then he went to the home office of the Globe Indemnity in the underwriting department. He returned to Louisville, serving the Prudential until the organization of the Fidelity Life & Accident in that city in 1923. He became agent, then special representative, manager of the ordinary department, supervisor of industrial and in 1931 was made assistant vice-president of the Washington National.

Independence Indemnity Report

The Independence Indemnity in its annual statement shows \$12,245,157 total assets; \$5,244,167 loss reserve; \$2,776,851 premium reserve and \$1,365,043 reserve for all other liabilities; capital \$1,000,000 and surplus \$1,859,095.

Freeport Motor Casualty's Figures

The Freeport Motor Casualty of Freeport, Ill., which writes full cover automobile insurance, in its annual state-

ment shows assets \$663,602, premium reserve \$160,405, public liability reserve \$98,189, loss reserve other than public liability \$11,232, voluntary reserve \$30,000, capital \$200,000, net surplus \$144,070. L. G. Younglove is secretary and is in charge of the company's activities.

Independent Mutual Loses Plea

Motion of the Independent Mutual Casualty for a stay of liquidating proceedings by the New York department pending an appeal to the court of appeals has been denied without prejudice by Chief Justice Cardozo of the New York court of appeals. Two other motions have been made by the Independent Mutual. They are returnable in the appellate division and the court has reserved decision. One asks permission to reargue the case before the appellate division for leave to appeal to the court of appeals. The other seeks permission to pay \$50,000 into the treasury of the company and to resume business. The amount of the impairment is about \$74,000. In the meantime the Independent Mutual is enjoined from operating, the supreme court having directed the department to take over the company.

Metropolitan, Commercial Report

The Metropolitan Casualty reports net surplus of \$2,009,866 and capital of \$1,000,000. The Commercial Casualty has \$1,814,648 net surplus and \$1,000,000 capital.

Form New Nebraska Mutual

The Nebadaka Insurance Company, an assessment organization that will write public liability and property damage insurance, has been incorporated in Nebraska by G. F. West, H. T. White, C. H. Clancey, P. I. Manhart,

J. C. Buckley, F. C. Best and William Whittaker of Omaha and H. R. Follmer of Lincoln. Articles have been approved by Commissioner Herdman. The name is made up of the four states in which it will do business, Nebraska, Iowa, Dakota and Kansas.

International's New Directors

At the annual meeting of the International Reinsurance in Los Angeles E. J. Nolan, chairman of the board of the First National Bank of Beverly Hills, and Emil Johnson of the International organization were added to the board.

Three New Directors

Three new directors were elected at the annual meeting of the board of the Pacific Indemnity. They are R. W. Wilbur, Dwight Wilbur and J. R. Martin, who also becomes a member of the executive committee. The regular dividend of 35 cents payable April 1 to stock of record March 15 was declared.

Reliance Life—Assets, \$74,521,246; unearned prem., \$238,962; loss reserve, \$66,307; non-can. A. & H. reserve, \$22,815; capital, \$1,000,000; net surplus, \$3,339,207. Experience:

	Prem.	Losses
Accident	\$ 359,584	\$ 194,083
Health	218,638	164,309
Non-can. H. & A.	23,862	25,500
Total	\$ 602,084	\$ 383,892

Iowa Mut. Cas.—Assets, \$133,316; unearned prem., \$70,775; loss reserve, \$25,108; liability reserve, \$17,495; net surplus, \$32,962. Experience:

	Prem.	Losses
Auto liability	\$ 66,702	\$ 35,439
Plate glass	23,728	10,472
Auto prop. damage	37,910	12,419
Auto collision	24,546	14,300

Concord Cas. & Surety—Assets, \$1,433,673; unearned prem., \$272,916; loss reserve, \$53,083; liability reserve, \$141,750; comp. reserve, \$26,021; reserve for compulsory auto. liab. (taxicabs), \$52,446;

commissions, etc., due, \$71,967; capital, \$571,760; net surplus, \$243,728. Experience:

	Prem.	Losses
Auto liability	\$ 345,863	\$ 88,703
Other liability	63,388	10,310
Workmen's comp.	123,388	42,423
Fidelity	11,538	1,966
Surety	188,291	5,108
Auto. prop. damage	132,741	51,824
Auto. collision	6,491	4,312
Compul. auto liab.	224,099	48,333

Total

Security Mut. Cas.—Assets, \$9,576,908; unearned prem., \$891,728; loss reserve, \$105,887; liability reserve, \$513,489; comp. reserve, \$1,673,945; voluntary reserve, \$3,490,783; commissions, etc., due, \$7,177; net surplus, \$2,850,000. Experience:

	Prem.	Losses
Accident	\$ 377	.....
Auto liability	777,620	\$ 227,201
Other liability	223,204	46,393
Workmen's comp.	1,249,182	652,040
Surety	1,028	.....
Steam boiler	14,652	.....
Engine and machine	3,753	.....
Auto prop. damage	264,002	62,952
Auto collision	512	.....
Other P. D. and coll.	2,908	45

Total

Michigan Mut. Auto.—Assets, \$106,502; unearned prem., \$17,350; loss reserve, \$1,525; liability reserve, \$16,525; net surplus, \$71,102. Experience:

	Prem.	Losses
Auto liability	\$ 6,556	\$ 13,051
Fire	1,786	1,789
Surety .....	.....	55
Burglary and theft.	1,428	903
Glass breakage	178	33
Accessory coverage.	178	69
Auto prop. damage	3,572	2,367
Auto collision	20,999	8,784

Total

National Masonic Provident, O.—Assets, \$987,700; unearned prem., \$38,367; loss reserve, \$8,787; net surplus, \$987,700. Experience:

	Prem.	Losses
Accident and health.	\$ 148,862	\$ 59,498

Craftsman—Assets, \$270,317; unearned prem., \$36,882; loss reserve, \$40,936;

**"I want a company
that will be here
as long as I am"**

observed a prominent general agent recently
as he put his name to an Eagle contract!

The Eagle, a member of the Royal Group,
offers financial stability, world-wide service
facilities, and effective sales co-operation.

*If you are looking for such a company,
write or wire*

EAGLE INDEMNITY COMPANY

150 William Street, New York



THOMAS L. BEAN
Production Manager

There is No Depression

IN DEPRESSION-PROOF SECURITIES

The Record of Nine Panics

New York City guaranteed first mortgages, issued through title and mortgage companies operating under the New York Insurance Laws, have passed through nine major panics and depressions without default in the payment of principal and interest:

1. The Baring Crisis of 1891.
2. The Panic of 1893.
3. The Silver Depression of 1893-94.
4. The Rich Man's Panic of 1903-4.
5. The Panic of 1907.
6. The Depression of 1910-11.
7. The War Depression of 1914-15.
8. The Post War Depression of 1920-22.
9. The Depression of 1929-32.

Today, at what we hope to be the end of one of the longest recessions since the 70's, these short term guaranteed securities still hold firmly, and command an active market with banking institutions and insurance companies, *at par!* Can any other security, in any class or any market, display a like record?

A Security's Best Testimonial is its Market

On January 1, 1932, over two-thirds of the outstanding guaranteed mortgages of State Title and Mortgage Company were held by financial institutions. The approximate distribution was as follows:

25% in amount was held by New York Savings Banks.

25% in amount was held by National and State Banks and Trust Companies.

18% in amount was held by Insurance Companies.

Over 80% of all mortgages sold by State Title and Mortgage Company during the past year were purchased by financial institutions.

**THERE IS NO DEPRESSION IN
DEPRESSION-PROOF SECURITIES**

STATE
TITLE *and* MORTGAGE
COMPANY

CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$9,000,000

(Operating under the Supervision of the New York Insurance Department)

NEW YORK, NEW YORK

Write today for offerings of New York guaranteed first mortgages yielding 5½% net

non-can. A. & H. reserve, \$5,000; commissions, etc., due, \$1,200; capital, \$125,000; net surplus, \$53,207. Experience:

	Premiums	Losses
Accident & health.....	\$ 85,814	\$ 13,930
Health	26,027	
Non-canc. H. & A.....	125,173	65,573
Total	\$ 210,987	\$ 105,530

Wisconsin Auto Mut.—Assets, \$643,125; unearned prem., \$258,547; loss reserve, \$34,361; liability reserve, \$247,800; commissions, etc., due, \$19,298; contingent reserve, \$15,000; net surplus, \$68,119. Experience:

	Premiums	Losses
Auto liability	\$ 310,897	\$ 263,871
Fire	57,591	21,891
Burglary and theft.....	33,666	16,550
Auto prop. damage.....	135,311	88,203
Auto collision	44,733	35,059
Total	\$ 582,197	\$ 425,735

Boston Casualty—Assets, \$130,328; unearned prem., \$9,322; loss reserve, \$6,005; commissions, etc., due, \$472; capital, \$100,000; net surplus, \$12,036. Experience:

	Premiums	Losses
Accident & health.....	\$ 119,248	\$ 45,959

Eagle Indemnity—Assets, \$7,074,173; unearned prem., \$1,651,474; loss reserve, \$495,761; liability reserve, \$1,200,881; comp. reserve, \$929,166; commissions, etc., due, \$167,635; capital, \$1,000,000; net surplus, \$521,344. Experience:

	Premiums	Losses
Accident	\$ 14,190	\$ 9,710
Health	6,951	3,763
Auto liability	1,191,019	690,335
Other liability	435,647	188,576
Workmen's comp.....	818,150	625,609
Fidelity	102,260	37,240
Surety	109,517	149,029
Plate glass	105,210	48,944
Burglary and theft.....	233,898	126,665
Steam boiler	55,651	7,774
Engine and machine	23,563	5,091
Auto prop. damage.....	381,316	153,236
Auto collision	45,151	19,026
Other P. D. and coll.....	14,507	7,408
Total	\$3,537,030	\$2,070,406

General Accident—Assets, \$25,248,262; unearned prem., \$7,068,937; loss reserve,

\$850,423; liability reserve, \$6,189,685; comp. reserve, \$2,965,584; commissions, etc., due, \$766,110; capital, \$550,000; net surplus, \$3,802,522. Experience:

	Premiums	Losses
Accident	\$ 641,356	\$ 365,808
Health	547,730	202,665
Auto liability	7,309,190	4,015,772
Other liability	3,165,730	612,031
Workmen's comp.....	3,165,330	2,766,882
Plate glass	131,008	68,612
Burglary and theft.....	328,665	95,434
Steam boiler	37,250	5,569
Auto prop. damage.....	2,184,210	957,101
Auto collision	282,599	173,582
Other P. D. and coll.....	57,967	20,085
Fly wheel	770	
Total	\$16,251,805	\$9,283,511

Hartford Accident—Assets, \$43,258,111; unearned prem., \$12,662,003; loss reserve, \$1,497,750; liability reserve, \$6,871,430; comp. reserve, \$6,454,124; commissions, etc., due, \$1,313,349; capital, \$3,000,000; net surplus, \$4,587,349. Experience:

	Premiums	Losses
Accident	\$ 646,252	\$ 335,861
Health	137,703	99,756
Auto liability	8,334,543	4,879,854
Other liability	2,560,116	1,096,811
Workmen's comp.....	6,478,982	4,999,526
Fidelity	2,254,869	1,075,248
Surety	1,966,582	1,546,344
Plate glass	428,096	160,283
Burglary and theft.....	1,580,876	647,412
Steam boiler	1,241	
Auto prop. damage.....	2,793,079	1,197,678
Auto collision	501,101	284,331
Other P. D. and coll.....	196,518	51,308
Live stock	12,221	17,509
Total	\$27,892,179	\$16,391,921

Continental Assur.—Assets, \$16,859,459; unearned prem., \$73,042; loss reserve, \$84,197; non-can. A. & H. reserve, \$25,386; capital, \$1,000,000; net surplus, \$2,279,658. Experience:

	Premiums	Losses
Accident and health.....	\$ 9,873	\$ 6,683
Non-canc. H. & A.....	133,910	17,933
Total	\$ 143,783	\$ 24,616

London & Lancashire Indem.—Assets, \$5,473,256; unearned prem., \$1,654,509; loss reserve, \$598,587; liability reserve, \$913,502; comp. reserve, \$356,853; commissions, etc., due, \$180,957; capital,

\$750,000; net surplus, \$809,794. Experience:

	Premiums	Losses
Accident	\$ 76,040	\$ 40,913
Health	6,953	5,974
Auto liability	1,293,979	769,494
Other liability	260,431	103,628
Workmen's comp.....	483,588	307,864
Fidelity	53,452	31,605
Surety	144,549	351,273
Plate glass	95,745	38,709
Burglary and theft.....	137,978	76,182
Auto prop. damage.....	414,605	175,359
Auto collision	43,464	18,337
Other P. D. and coll.....	11,872	1,325
Total	\$3,022,656	\$1,920,363

Royal Indemnity—Assets, \$26,577,861; unearned prem., \$6,487,830; loss reserve, \$2,689,156; liability reserve, \$3,907,015; comp. reserve, \$4,270,903; commissions, etc., due, \$571,647; capital, \$2,500,000; net surplus, \$1,011,228. Experience:

	Premiums	Losses
Accident	\$ 276,120	\$ 153,322
Health	112,010	88,803
Auto liability	4,135,240	2,302,499
Other liability	1,430,754	502,022
Workmen's comp.....	3,470,721	2,412,251
Surety	906,471	368,067
Fidelity	508,277	609,283
Plate glass	257,051	96,534
Burglary and theft.....	920,593	411,313
Steam boiler	191,195	15,396
Engine and machine	84,617	26,921
Auto prop. damage.....	1,289,408	514,560
Auto collision	170,042	98,968
Other P. D. and coll.....	57,668	47,256
Total	\$13,882,167	\$7,647,195

Illinois Cas.—Assets, \$569,590; unearned prem., \$210,465; loss reserve, \$12,053; liability reserve, \$56,224; capital, \$200,000; net surplus, \$63,645. Experience:

	Premiums	Losses
Auto liability	\$ 185,820	\$ 84,777
Fire	27,347	9,962
Wind	4,324	222
Burglary and theft.....	34,063	12,976
Auto prop. damage.....	106,201	36,163
Auto collision	92,449	50,291
Total	\$ 450,207	\$ 194,397

Citizens Casualty, N. Y.—Assets, \$1,086,720; unearned prem., \$142,394; loss reserve, \$21,175; liability reserve, \$249,239; compensation reserve, \$28,166; capital,

\$354,688; net surplus, \$256,041. Experience:

	Premiums	Losses
Auto liability	\$ 711,728	\$ 288,598
Other liability	15,158	5,073
Workmen's comp.....	79,338	34,102
Plate glass	3,451	938
Auto prop. damage.....	210,135	67,435
Auto collision	5,227	1,725
Other P. D. and coll.....	293	192
Total	\$1,025,330	\$ 398,063

Fireman's Fund Indem.—Assets, \$4,660,275; unearned prem., \$915,040; loss reserve, \$63,978; liability reserve, \$204,622; compensation reserve, \$70,446; capital, \$1,000,000; net surplus, \$2,108,975. Experience:

	Premiums	Losses
Accident	\$ 20,875	\$ 5,892
Health	2,232	857
Auto liability	766,085	73,228
Other liability	226,686	17,280
Workmen's comp.....	285,433	63,278
Fidelity	76,232	1,502
Surety	109,024	12,630
Plate glass	40,610	6,401
Burglary and theft.....	107,205	19,153
Auto prop. damage.....	211,924	34,115
Auto collision	14,040	5,027
Other P. D. and coll.....	5,726	511
Total	\$1,866,072	\$ 239,904

New Century Cas., Ill.—Assets, \$455,223; unearned prem., \$86,080; loss reserve, \$17,556; liability reserve, \$572; capital, \$200,000; net surplus, \$122,240. Experience:

	Premiums	Losses
Auto liability	\$ 1,907	
Plate glass	177,664	\$ 88,758
Burglary and theft.....	15,890	16,197
Auto prop. damage.....	703	
Auto collision	117	
Total	\$ 196,281	\$ 104,955

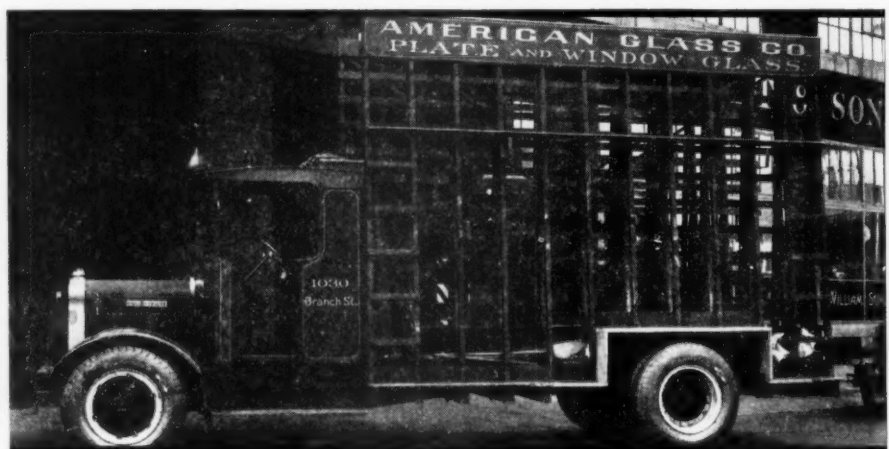
Metropolitan Life—Assets, \$3,590,115,654; unearned prem., \$2,404,450; loss reserve, \$3,781,447; non-can. A. & H. reserve, \$169,753; net surplus, \$227,270,238. Experience:

	Premiums	Losses
Accident	\$6,267,867	\$3,605,929
Health	9,495,161	6,146,221
Non-canc. H. & A.....	80,153	76,972
Total	\$15,843,181	\$9,829,122

INSURANCE MEN

find the best way to keep plate glass insurance on the books is to provide their clients with prompt, desirable replacements after glass is cracked or broken.

That's why more and more of the insurance fraternity insist upon having the American Glass Company handle all plate glass replacements. They know this organization is "keyed" to give that extra service which insurance men need to keep business sold.



The above picture shows one of the fleet of fourteen trucks of the American Glass Company. Manned by crews of thorough experience in handling plate glass replacements, each truck and crew is another vital factor why the American Glass Company is foremost in the Chicago plate glass replacement field.

AMERICAN GLASS COMPANY

1030-42 N. BRANCH ST. CHICAGO

Expect Changes to Be Approved

(CONTINUED FROM PAGE 35)

Companies are taking various actions on this form, one bureau company increasing rates and also restricting policies. Another bureau company long ago raised rates for the \$5 policy to \$7.50, and a non-bureau company which quit writing the \$5 policy the first of this year, intends if it resumes this form to charge \$7.50. One company has reduced the principal sum in the \$10 policy to \$2,000 and another to \$2,500, increasing under certain conditions to \$3,500.

These policies have been written principally by multiple line casualty companies as a sales stimulator for other business, and on this basis they are willing to suffer a reasonable underwriting loss.

Many Limitations Imposed

Practices of various companies in writing this coverage vary, some making a drive for it, while others have declined to accept more than a given percentage, insisting that it must be offset by a proper amount of high grade commercial risks. In their early efforts to make the line profitable, companies about a year ago began inserting a clause eliminating liability for losses due to death of insured from carbon monoxide poisoning.

Later they found it necessary to eliminate operators of commercial vehicles, including taxicab and truck drivers and other regular chauffeurs, together with repairmen, garage or service station attendants. It was considered in these cases that this was an occupational hazard, and not an automobile accident hazard as it is usually considered, which was covered.

Non-Can Rates to Increase March 1

(CONTINUED FROM PAGE 33)

culty in contesting improper ones.

The Pacific Mutual's new rates per \$100 monthly income for classes A and B are:

Elimination Period				Elimination Period			
	3	2	1		3	2	1
Age	mos.	mos.	mo.	Age	mos.	mos.	mo.
20	39.00	47.00	62.00	35	52.00	60.50	76.50
21	39.50	47.50	62.50	36	53.00	61.50	78.00
22	40.00	48.00	63.00	37	54.00	63.00	79.50
23	41.00	49.00	63.50	38	55.50	64.50	81.50
24	41.50	49.50	64.00	39	57.00	66.00	83.00
25	42.50	50.50	64.00	40	58.50	67.50	85.00
26	43.00	51.00	66.00	41	60.00	69.50	87.00
27	44.00	52.00	67.00	42	61.50	71.00	89.50
28	45.00	53.00	68.00	43	63.00	73.00	91.50
29	45.50	54.00	69.00	44	64.50	75.00	94.00
30	46.50	55.00	70.00	45	66.50	77.00	96.50
31	47.50	56.00	71.00	46	68.50	79.00	99.00
32	48.50	57.00	72.50	47	70.50	81.50	101.50
33	49.50	58.00	73.50	48	72.00	83.50	104.00
34	50.50	59.00	75.00	49	74.00	85.50	106.50
				50	76.00	87.50	108.50

The charge for each \$1,000 of principal sum is \$2 for classes A and B, \$3 for classes C and D, and \$3.50 for class DD.

The Continental's rates are:

100			50		
Age	mos.	mos.	Age	mos.	mos.
20	30.00	24.00	35	45.00	32.40
21	30.50	24.40	36	46.50	33.50
22	31.00	24.80	37	48.00	34.50
23	31.50	25.20	38	49.50	35.60
24	32.50	25.60	39	51.00	36.70
25	33.50	26.00	40	52.50	37.80
26	34.50	26.40	41	54.00	38.90
27	35.50	26.80	42	55.50	39.90
28	36.50	27.20	43	57.00	41.00
29	37.50	27.60	44	58.50	42.10
30	38.50	28.00	45	60.00	43.20
31	39.50	28.40	46	62.00	44.70
32	40.50	29.20	47	64.00	46.10
33	42.00	30.20	48	66.00	47.50
34	43.50	31.30	49	68.00	48.90
			50	70.00	50.40

It is taken as a foregone conclusion that other non-can companies will follow the general principles laid down by these two leaders in the field.

L. J. MacNab, counsel for the Aetna Life and affiliated companies in its Boston office, died Sunday following an operation for appendicitis. He was prominent as a lawyer, yachtsman and soldier.

Auto Toll in 1931 Is Set At 34,400

(CONTINUED FROM PAGE 35)

tion of motor vehicles estimated at 2 percent. In 1931 a death occurred for every 25 accidents as compared with every 26 accidents in 1930. In 1931 there was a fatality for every 29 persons injured nonfatally as compared with one in 30 in 1930. The number of pedestrian fatalities dropped but the number of collision fatalities increased.

The publication this year includes numerous effective photographs, charts, and tables.

Commissions Not Sole Cost—Bennett

(CONTINUED FROM PAGE 33)

Mr. Bennett criticized Mr. Van Schaick's statement to the companies: "The two largest factors constituting the rate are loss experience and production costs. To consider one and not the other is an absurdity."

It is the height of absurdity, Mr. Bennett declared, for the superintendent to propose to pass on two of the items

that make up the rates, without considering every factor.

General administration expenses, claims, inspections, audits and field supervision costs are just as subject to variation as commissions, he said.

Mr. Bennett advocated revision of the loss and expense cost factors in order to remove from the public mind the idea that the expense factor is out of proportion. He said that taxes and claim expense should be added to the loss factor, leaving in the expense makeup, home office expense, inspections, audits and commissions.

Mr. Bennett quoted figures to show that other production expenses have increased in the last five years to a greater extent than commissions. The commissions on automobile liability in 1925 amounted to 21.7 percent as compared with 20.8 percent in 1930. Other production expenses increased from 3 percent in 1925 to 4.4 percent in 1930.

Compensation Commissions

Compensation commissions increased from 14.1 percent in 1925 to 14.4 percent in 1930. Other production expenses went up from 3.1 to 4.1 percent.

In seven years, the total acquisition cost on all casualty and surety lines has increased from 26 percent to 26.4 percent. During those years, commissions

have been coming down and other production expenses going up.

Mr. Bennett tentatively endorsed the project to set up a top expense limit, leaving each company to work out its own salvation without restraint except as to the total limitation. Mr. Bennett said that some claims offices are elaborate and supermanned and that there is duplication in inspections and audits. Many companies operate elaborate branch offices charging the account to acquisition cost although it belongs properly in administrative expenses, he asserted.

"Under the present setup," Mr. Bennett said, "the agent is getting the blame for certain costs that are laid at his door, of which he never receives a dime. It is unfair and unjust for this to continue. Only an all-inclusive program, aimed at every wastage in the business, can bring any hope of success."

Unwilling to Write Negroes

LITTLE ROCK, Feb. 24.—Negroes in Arkansas, it is alleged, are finding difficulty in securing automobile liability insurance, on the alleged ground that companies fear they would have little chance in litigating claims against them by white people.

YOU need this company in YOUR agency this year

The Illinois National Casualty is an ideal company to have in your agency. Its full coverage automobile policies give complete protection to your assureds. It is favorably known. Its claim service is national. Its strength and soundness is unquestioned. It is backed by re-insurance treaties in companies with assets over \$12,000,000.00.

The Illinois National Casualty is a good company for you because between 80%—90% of all our policies are renewed yearly. Illinois National Casualty policies are exceedingly safe and backed by a strong stock company thoroughly experienced in writing automobile coverage, yet written at independent rates making it possible for you to save your client money but still give him sound stock company indemnity. Investigate the Illinois National Casualty today.

The Chicago Home Office, Springfield and Kankakee Branch Offices and many claim offices assure agents and policyholders in Illinois and Indiana unbelievably rapid service. Agents receive first consideration from friendly executives who know from years of experience conditions in the automobile insurance field.



T. H. REITER
President

Home Office
540 N. Michigan Ave.
Whitehall 6802
Chicago

C. H. BARR
Vice-President

Branch Office
524 E. Capitol Ave.
Capitol 133
Springfield

SPECIALISTS IN AUTOMOBILE INSURANCE

LOOKING ON THE BRIGHT SIDE

It's an American trait to figure that tomorrow will be better than today. If things look a bit gloomy now, the sun will soon be shining!

It took a severe jolt to make some of us realize that it is wise to be thrifty. More people are saving than ever before. More wage earners are protecting their future incomes. More Income Guaranty policies of Accident and Health Insurance are being written. It's a fertile field, this guaranteeing of incomes, made even more urgently necessary in times of stress than when things were easier. We need more salesmen in our territory. There is a demand for our service. Progressive salesmen who would like to represent this company should write us TODAY.

OUR FEATURES

PROSPECT SERVICE
FULL COVERAGE
NON-CANCELLABLE
MALE and FEMALE RISKS
STARTS FIRST DAY
Life Time Coverage
Old Line Company
Prompt Claim
Payments
Generous Contract
Large Commissions
Liberal Renewals
Substantial Company
Pays on Any Disease
Pays on Any Accident
Pays Special
Indemnities

OUR TERRITORY

PENNSYLVANIA
CALIFORNIA
MICHIGAN
MISSOURI
INDIANA
ILLINOIS
OHIO



Income Guaranty Company

Capital Stock \$124,100.00 - Surplus to Policy Holders Over \$184,000.00

Legal Reserve Stock Company

Income Building — (Established 1917) — South Bend, Ind.

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

Glaziers Union Refuses to Make Chicago Replacements

CRISIS IN GLASS TROUBLE

Workers Say They Resent Charges of
Sabotage—Wage Question Is
Involved in Row

The plate glass situation in Chicago has reached an acute stage, the glaziers union having refused to make any replacements there of insured glass and the glass companies apparently sympathizing with the stand of the glaziers. At first the casualty companies did not regard the move seriously, believing that they could outwit the glaziers by indemnifying assureds in cash for breakage, the assureds to order the replacements, but the glaziers refuse to make replacements of insured glass, no matter whether the insured or the insurer gave the order.

Accordingly, insured breakages this week have not been replaced, the windows being boarded. There was a breakage Tuesday morning in a restaurant on Jackson boulevard just a few doors from the Insurance Exchange and the boarded window was something of a red flag to the insurance people.

Complain to Police

The glaziers action seems to have been precipitated by a visit to Chicago from a committee of home office executives, headed by G. E. Wilkinson of the Metropolitan Casualty, which held a meeting with Chicago representatives. Members of the home office committee made charges to the Chicago police that glaziers were maliciously breaking glass to create work for themselves. The complaint was transmitted to the state's attorney, who is reported to have declined to take action unless more definite evidence was available. Complaint was also referred to the racket committee of the Chicago Association of Commerce.

The glaziers have taken the position that they resent these charges and base their refusal to make replacements on that ground. However, casualty men interpret the move as an attempt to forestall a wage reduction and the asserted sympathetic attitude of the glass companies toward the glaziers position is interpreted as a move to forestall reduction in glass prices.

Meyers Gives Notice

The strike notice was delivered by George Meyers, business agent of the glaziers union. It was delivered to the American Glass Company, Pittsburgh Plate Glass Company and Tyler & Hippach. The glass offices were ordered not to sell plate glass to each other and to notify the union of the location of a proposed replacement so that inquiry could be made as to whether the glass was insured. The union thus is forestalling selling of glass to non-union houses so that replacement work could be done by non-union workers.

Meanwhile, leading Chicago casualty men are in contact with representatives of the plate glass companies in an attempt to arrive at a solution.

Mr. Wilkinson and the other members of the home office committee have now returned to the east.

American Surety Men on Coast

H. N. Hutchinson, superintendent of production of the American Surety; E. P. Apgar, manager compensation and liability department; and F. A. Seiler, assistant manager casualty department, who are on an agency trip on the Pacific Coast, arrived in San Francisco for a series of conferences with R. D. Weldon, resident manager. They plan to visit Portland and Seattle before returning to New York. Similar conferences were held in Los Angeles.

Cost Conference Abolishes New York City Agent Class

30 PERCENT MEN ARE DOOMED

Favored Surety Producers Are to Be
Eliminated in Acquisition Reform
Movement

By action of the New York City agency committee of the fidelity and surety acquisition cost conference, the limited class of surety producers who have been getting 30 percent commission and are known as New York City agents, will be abolished, effective May 10. There are now 13 "New York City agents." They are H. J. Sage Company; Ream, Wrightson & Co.; Leo Salomon; H. T. E. Beardsley; E. S. Hyde; J. L. Nolan agency; Mackey & Powell; C. F. Murphy, Jr.; Clausen, Bayley & Kearney; J. F. Murphy; Keeler, Inc.; M. F. McDonald, and H. W. Schaeffer & Co.

The classification of New York City agents was set up in 1927 when the surety cost conference was revised as a concession to producers who had specialized in surety. The committee now feels that these agents have had five years in which to readjust their business, which, company officials say, has diminished. Col. F. R. Stoddard, arbitrator for the conference, selected the city agents.

Superintendent Van Schaick has been interested in the city agent question and prepared a questionnaire on the subject asking for the probable period during which the designation would be continued.

The city agents will now get the 20 percent commission which is paid to other producers.

Ruling in Motor Boat Case

ST. PAUL, MINN., Feb. 24.—Owner's liability that applies to motor cars does not apply to motor boats, the state supreme court holds in denying damages to a girl injured while riding in a boat on a Minnesota lake. She sued the father of the young man whose guest she was when a collision occurred and she was injured. The court's view was that the "family car doctrine" is necessary because of the great number of motor cars in use, whereas there are comparatively few motor boats and their operation is not comparable to that of motor cars. Two of the judges, however, dissented, holding that the same law should apply to both vehicles.

Dinner for J. G. Shaw

J. G. Shaw, chief engineer in the inspection division for the Travelers in New York City, was honored by his colleagues and other business associates at a dinner in recognition of his completion of 25 years with the Travelers. He was presented with a ship's clock.

GOOD AGENTS WANTED

A Standard five-point Automobile Policy issued by an old, well established Non-Conference, Stock Casualty Company, is being sold by a reliable General Agency in Chicago, handling Cook County and Northern Illinois. Prompt and excellent service rendered to both agents and policyholders. Reasonable rates and liberal commissions.
Address: W2, The National Underwriter.

ATTENTION OF CASUALTY COMPANIES OR RELIABLE GENERAL AGENCIES

Branch office manager and casualty and fire sales producer wants position with progressive insurance company or live, responsible general agency. Well acquainted with large number of Class 2 and 3 Illinois brokers and general agents and brokers in Ohio, Michigan and New York. Successful past record. Best of credentials furnished.
Address: Sales Executive, Box W-4
Care The National Underwriter Co.

Connection Wanted

Young man experienced in production, underwriting and with thorough knowledge of casualty and surety desires connection in underwriting, production or field work for Home Office or General Agency. Wide acquaintance in Illinois, Wisconsin and Indiana. Has excellent production record. Address W-5, The National Underwriter.

CASUALTY ASSOCIATION NEWS

To Put Stickers on Policies

New Jersey Association Will Ask Aid of Public to Reduce Rates—To Have "Canned Speeches"

NEWARK, Feb. 24.—With a view of instructing automobile owners in New Jersey and asking them for their aid in reducing automobile rates, the Casualty Underwriters Association of New Jersey has issued a "sticker" to be attached to all policies, which will tell the story of "Why Automobile Rates Are Higher." Among the suggestions on the sticker are:

Careless Driving—The average person drives too fast. He leaves the curb and makes turns without signalling. You must drive more carefully.

Claims—Don't pad your bill where you have a legitimate claim against the other fellow. Play fair with the insurance company; they will play fair with you.

Juries—Too many juries award excessive damages. This adds heavily to insurance costs.

Ambulance Chasing—Beware of the paid runner who refers you to an unknown lawyer when you have a claim against another driver. Don't allow your lawyer to bring suit before first trying to make an amicable settlement.

Increased Mileage—The more general use of closed cars. The great increase in fine roads. Greater car speeds. All these factors are present in the necessity for higher rates.

Do your part in correcting these conditions and rates will come down.

In addition the association has prepared a "uniform speech" that can be delivered by agents and brokers before civic organizations, which will amplify the story of the sticker and will give illustrations from New Jersey cases as to the first three factors referred to in the sticker—careless driving, claims and juries. A copy of the speech will be sent to all agents in the state. Ernest H. Babbage, vice-president of the association and vice-president Bankers Indemnity, is in charge of getting out the speeches.

Casualty Adjusters in 20th Year Celebration

The caliber of the Chicago bar is much higher and far more dangerous from the standpoint of personal injury cases than it was 20 years ago when the Casualty Adjusters Association was formed. George H. Maloney of the Hartford Accident, one of the founders of the association and a past president, said at the 20th anniversary celebration of the organization.

Civilization is more complex; there are more involved theories in regard to liability. Transportation is a far more serious problem. Adjusters must be much better educated today, he said. The association does not take the place that it should. He pointed out that casualty adjusters are better educated in regard to street accidents than almost any other group and yet they sit back while such agencies as the National Safety Council and the National Bureau of Casualty & Surety Underwriters attempt to solve this great problem.

Many Past Presidents There

Several past presidents spoke at the dinner, including Herman D. Wagner, one of the founders, who touched on trials and tribulations of the organization in its infancy under the old common law rules before the compensation law was passed in Illinois. Other past presidents who spoke were R. G. Lavery, Standard Accident; Frank Tomczak, Chicago Motor Coach Company; M. J. O'Brien, of M. J. O'Brien & Co.; George Baker, Consumers Company; L. A. Cambridge, Illinois Manufacturers

Mutual Casualty; Francis Baldwin, Illinois Bell Telephone Company, and R. T. Luce, U. S. Casualty.

Mr. Lavery said the compensation act has made many adjusters lazy; that they are not worth a continental on automobile and public liability cases. He said that the old adjusters used to go into cases more thoroughly.

B. S. Quigley, Liberty Mutual, president of the adjusters, and Mr. Luce, secretary, were in charge of the celebration which drew a large attendance.

Elect Burke President of Massachusetts Association

BOSTON, Feb. 24.—At the annual meeting of the Massachusetts Casualty Underwriters Association the following officers were elected: President, Arthur W. Burke; vice-president, Edward J. O'Neil; secretary and treasurer, Edith M. Peabody; executive committee, Royal Indemnity, W. C. Small, chairman; Employers Liability, H. F. Morse; Century Indemnity, W. H.

Plumer; Globe Indemnity, Roger Hovey; Travelers, Robert A. Hogsett; Maryland Casualty, Henry K. Metcalf. Arbitration committee: Great American, George J. Dube; Standard Accident, W. F. Flanders; Metropolitan Casualty, L. W. Dearth; Massachusetts Bonding, J. Donald Falvey.

The restriction of agent's licenses in the Boston metropolitan district to holders of brokers' licenses and the present method of rating plate glass risks were discussed.

Shiels Los Angeles Head

LOS ANGELES, Feb. 24.—W. E. Shiels, manager Travelers, was elected chairman of the Casualty Association of Los Angeles at the annual meeting. J. E. Joseph was reelected secretary-treasurer. Mr. Shiels appointed M. E. Graham, Maryland Casualty, vice-chairman; G. F. Houghton, Hartford Accident, chairman of the automobile committee; F. R. Robinson, Globe Indemnity; E. A. Fay, Massachusetts Bonding, and Mr. Houghton, legislative committee.

At the next meeting Feb. 29, R. E. Laley, Pacific Coast manager for the National Bureau of Casualty & Surety Underwriters, will review the activities of the bureau in this field. At that

meeting members of the southern California committee of the National Bureau will be elected, the nominations being M. E. Graham, H. E. Charlton and G. F. Houghton.

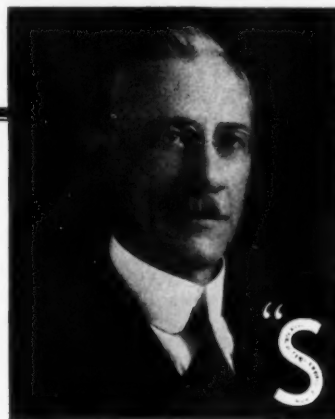
After the meeting of the Los Angeles association, A. I. Zimmerman of the American Surety, chairman of the southern California committee on casualty acquisition cost, called a meeting of the conference for discussion of current developments.

Education, Enforcement

DES MOINES, Feb. 24.—Automobile accident prevention work can best be done through education and law enforcement, declared John J. Hall, traffic engineer National Bureau of Casualty & Surety Underwriters, in a talk Monday at the semi-monthly meeting of the Casualty & Surety Club of Des Moines. Mr. Hall said the bureau does not make insurance rates; they are made by the public. While automobile rates went up recently, they are still two years behind, and are based on 1929-1930 figures.

Sweet President at Cleveland

E. D. Sweet, resident manager for the Maryland Casualty, was elected president of the Casualty Underwriters



"STABILITY..."

SAYS WARREN S. SHAW, PROMINENT SURETY AGENT IN BROCKTON, MASS.

"... is the qualification to which we would give the most consideration in selecting a company in which to place our fidelity and surety business. Because many of these contracts may remain in force over a long period, a surety agent must have confidence, not only in the present financial condition of his company, but in its standing at some time well in the future.

"This agency was appointed to represent the F&D early in 1897. At that time the Company's branch in Boston was managed as a side-line by a practicing attorney and his entire office force consisted of one stenographer. From this small beginning developed the fine organization now supervising the business of four New England states.

"A spirit of friendly cooperation has always characterized the Boston Office, assistance has been extended to us freely in the various problems which have confronted us and losses have

been settled promptly and to the entire satisfaction of our clients.

"During the entire thirty-five years of our relations with the F&D, its steady, consistent financial growth and its adherence to a policy of sound and conservative, yet progressive, underwriting have made it an organization with which it has been a pleasure to be connected and in the continued stability of which we have every confidence."

Warren S. Shaw.



FIDELITY AND DEPOSIT COMPANY
OF MARYLAND • BALTIMORE

THESE SIX BIG SELLING POINTS FEATURE THE PROVIDENT'S FAMILY INCOME PLAN

1. Provides 12% income a year during the growing up period of the child.
2. Provides clean-up fund.
3. Provides old age fund for the mother.
4. May be written for any number of years from 5 to 20, both inclusive.
5. Issued in units as small as \$2500.00 each.
6. Issued in form of supplement attached to regular life policy, thus affording all benefits of both.

PROVIDENT POLICIES ARE MODERN TO THE MINUTE

Write for Agency
Proposition



Association of Cleveland at the annual meeting. Vice-president is J. B. Goddard, assistant manager Travelers; secretary, G. I. Goodman, manager automobile and marine departments Cleveland Insurance Agency, and treasurer, H. C. Gobeille, assistant secretary, Brooks-Stafford Company.

At the organization meeting of the Surety club of Cleveland John B. Gillespie, surety manager for the Maryland Casualty, was elected secretary.

Attorney Speaks at Baltimore

BALTIMORE, Feb. 24.—Walter L. Clark, Baltimore attorney, spoke at the February meeting of the Casualty & Surety Club on the "Waiver and Estoppel in Maryland." He stressed the fact that policies are often issued with clauses inserted by the agent; that quite frequently the assured does not read his contract; and that occasionally an agent will attempt to interpret a clause and give the assured an entirely erroneous

idea as to its legal effect; that because of these situations the assured often got something he did not want and which absolutely failed to protect him. The only way the courts can work out a contract which will give the assured some protection is through the doctrines of waiver, estoppel and election.

Kite Philadelphia Head

W. S. Kite has been elected president of the Casualty Underwriters Association of Philadelphia. The first vice-president is J. M. Richardson; second vice-president, F. A. Roberts; secretary, S. J. Parrott. The executive committee consists of W. W. Berry, J. A. Berry, J. F. Clancy, A. S. Wickham, A. P. Schuenemann, J. W. Donahue, M. G. Neff, Dodd Bryan, S. J. Carr, T. A. Engstrom, E. B. Abbott, C. J. McNutt, E. W. Helm, Jr., A. H. Reeve, J. J. Heelan, C. J. Stockwell and J. V. Williams.

FIDELITY AND SURETY NEWS

Six Illinois Bills Are Signed

Large Part of Depository Program of Surety Men Is Approved by Governor

Six bills in the program of Illinois surety men to expedite writing surety bonds on public officials have been approved by the governor. The bills signed affect only counties of less than 150,000 population, while those relating to Cook county were delayed through political considerations which resulted in adjournment of the special session of the Illinois legislature until April. The object of the bills is to relieve public officials of liability for funds deposited by them, through having supervising boards designate depositories. This permits surety companies to write the ordinary official bonds, and from the public viewpoint aids collection of taxes.

Measures Approved

The bills signed are: H. F. 271, relating to treasurers of cities, villages and incorporated towns; 272, relating to municipal funds; 273, amending the county treasurer's act; 274, relating to school trustees so as to relieve township treasurers; 292, relating to township funds, and 293, relating to road and bridge district. S. F. 126, amending the tax collectors' act, previously had been signed by the governor.

Bills pending and relating to Cook county are: H. F. 288, requiring banks receiving funds for deposit to provide collateral as security, to be deposited with the county treasurer, the market value of which at all times shall exceed deposits by 10 percent or more, on second reading in the house; H. F. 305, relating to drainage district and permitting trustees to designate depository, on third reading in senate; H. F. 309, referring to school districts organized under special charters and permitting school trustees to designate depositories, providing that deposits shall not exceed 75 percent of the capital and surplus of such depositories and making the school district treasurer liable for any sums over this limitation, on third reading in senate.

There are two important bills calculated to relieve public officials of liability for public funds which may have been deposited in banks now in receivership or which may hereafter become in that condition—S. F. 53, affecting deposits made by county collectors during 1930 and 1931 and cancelling their liability for funds on deposit in failed banks, on second reading in senate, and S. F. 157, relating to all treasurers and custodians of public funds, retroactive as to funds in failed banks or in banks that hereafter close or fail, and cancelling the public officials' liability for

that portion of the public funds which may not be recovered through liquidation of the failed banks, on second reading in senate.

S. F. 158, relating to treasurers of downstate sanitary districts, permitting trustees to designate depositories, passed the senate and was sent to the house.

La Follette Taking Action

Names Special Counsel to Force Carriers to Make Good \$400,000 Bank Loss

MILWAUKEE, WIS., Feb. 24.—Attorney Benjamin Poss of Milwaukee has been appointed by Governor Philip La Follette as special counsel for the state to force bonding companies to make good \$400,000 which the state had in the Capital City bank when it crashed last November. The bank was bonded by the United States Fidelity & Guaranty and the Fidelity & Deposit. Two weeks ago counsel for the U. S. F. & G. served notice on the state treasurer disclaiming liability for any loss by the state. It was contended that the state treasurer knew of the unsound condition of the bank, and that he deposited more than \$250,000, the legal limit.

Governor La Follette stated: "Two surety companies accepted premiums on surety bonds guaranteeing the state of Wisconsin against the loss of any of its money in the Capital City bank up to \$600,000. At the time the Capital City bank suspended, state deposits were far under this amount. The two surety companies, having failed to make payment to the state within a reasonable period, are not living up to their obligations to the state."

A John Doe investigation is being carried on into the affairs of the bank to determine if any officers of the bank should be prosecuted. The Capital City bank failure has political aspects, the La Follette progressive faction being involved in both.

Liquidity Being Attained

NEW YORK, Feb. 24.—Financial statements of banks, according to surety executives, disclose a greater percentage of highly liquid resources than for many years. It is not unusual now for a bank to have 50 percent of its assets in liquid form, compared with 10 or 15 percent prior to 1929. Surety companies are still hesitant in accepting depository bonds, however. Bank failures are still reported, although in fewer numbers.

Can't Cover Forged Warrant Loss

Attorney General Bettman of Ohio holds that the state has no authority to insure either the public or the state

treasurer against loss through forged or altered state warrants. The legislature has required a \$500,000 bond from the state treasurer and additional bond for special funds. The attorney general also has held that the county clerk is the insurer of all funds coming into his possession because of the special conditions of his bond. If he suffers loss of any money he and his bondsmen are liable.

The Northwest Casualty, stock company running mate of the Northwestern Mutual Fire of Seattle, has applied for admission to Illinois, Indiana, Kansas, Missouri, Oklahoma, Tennessee and Texas.

IN THE DISTRICT COURT OF THE STATE OF IOWA IN AND FOR SCOTT COUNTY STATE OF IOWA, EX REL, JOHN FLETCHER, ATTORNEY GENERAL,

Plaintiff
vs.
FEDERAL SURETY COMPANY, OF DAVENPORT, IOWA,
Defendant

NOTICE TO CREDITORS TO FILE CLAIMS WITH RECEIVER

Notice is hereby given that in a proceeding with respect to liquidation of Federal Surety Company, an Iowa corporation, commenced in the District Court of the State of Iowa, in and for Scott County, entitled State of Iowa, Ex Rel, John Fletcher, Attorney General, Plaintiff vs. Federal Surety Company of Davenport, Iowa, Defendant, being Equity Cause No. 28238 of the causes in said Court, Orders and Decrees have been entered on September 25, 1931 and December 22, 1931 and proceedings have taken place from which, among other things, it appears:

1. That on September 25, 1931 the corporate existence of Federal Surety Company terminated; that all surety bonds, policies and contracts of insurance to which Federal Surety Company was a party were cancelled September 25, 1931; that E. W. Clark, Iowa Insurance Commissioner, was appointed and has qualified and is now the Receiver and/or Liquidating Officer of Federal Surety Company; that said Receiver and/or Liquidating Officer is the successor to said corporation and as such holds title to all property owned by Federal Surety Company at the time it ceased to exist; that said Receiver is directed to wind up the business and affairs of said Federal Surety Company and distribute assets coming into his hands among the persons entitled thereto, as determined by claims filed in accordance with said Orders and proceedings.

2. That all creditors, including lien and unsecured creditors of Federal Surety Company and all claimants to specific properties in the hands of the Receiver, are ordered and directed to file proof of their claims with the Receiver on or before the 31st day of December, 1932; that said claims and demands so filed shall be itemized and sworn to and shall state with particularity the nature and the origin of the claims so asserted, the actual consideration thereof, when the same became or will become due, whether any and what securities are held therefor, whether any and what payments have been made thereon and that the sum claimed is justly due from Federal Surety Company, and that claimant has not, nor has any other person for his use, received any security or satisfaction on account of said claim other than as by claimant therein set forth.

3. That the Receiver is authorized and directed to examine the claims filed and required to make his findings thereon, allowing or disallowing in whole or in part each and all of said claims, and to file with said Court a written report setting forth for the confirmation of the Court the result of his examination and findings, subject to the right of any claimant to object to any findings so made, such objection to be filed in writing in this cause at such time as the Court may hereafter prescribe.

4. That any creditor or claimant not presenting or filing claim with the Receiver aforesaid on or before December 31, 1932, shall and will be debarred from participating in any dividend or distribution made in these proceedings, or from any interest in and to the properties of the defendant, Federal Surety Company, administered by the Receiver, or any proceeds derived from the sale or disposition thereof.

5. All communications should be addressed to E. W. Clark, Receiver, Federal Surety Company, Kahl Building, Davenport, Iowa. All claims should be presented at the office of said Receiver, Kahl Building, Davenport, Iowa, or at the office of the Clerk of the District Court, Scott County, Iowa.

E. W. CLARK,
Receiver, Federal Surety Company.

CHANGES IN CASUALTY FIELD

Three Promotions Announced

Travelers Transfers K. R. Webb to Atlanta—R. H. Hawley is Made Manager at Kansas City

Announcement is made by the Travelers of the appointment of K. R. Webb as manager at Atlanta. R. H. Hawley as manager at Omaha and W. J. Whiting as assistant manager at Montreal.

Mr. Webb has been with the Travelers since 1923 and since July, 1929, has been manager at Omaha. Previously he had served as manager at Denver, and assistant manager at Minneapolis. His first service with the company was as a field assistant at Omaha.

Mr. Hawley, who succeeds Mr. Webb as manager at Omaha, was formerly assistant manager at Kansas City, where he became connected with the Travelers as a field assistant in 1924. In Kansas City he served as assistant manager more than five years.

Mr. Whiting is a native of Ontario. He has been with the company since early in 1927 in Syracuse, N. Y., Pittsburgh and Albany, N. Y. Just prior to his promotion he was a field assistant at the Albany office.

Otis Flint, field assistant in the casualty department of the Oklahoma City branch, is transferred to a similar position at Des Moines and Dana Boyette of Oklahoma City is transferred to the Kansas City branch.

Rosemund Assistant Treasurer

NEWARK, Feb. 24.—At the annual meeting of the Bankers Indemnity Andrew J. Rosemund was appointed assistant treasurer, a new position. Mr. Rosemund has been with the Bankers for four years as chief accountant and will continue that work. Before joining the Bankers he had 20 years' experience in the life and casualty field.

Frazer Managing Director

J. R. Frazer, former vice-president of the Straus National Bank in Chicago in charge of the trust department, has been appointed managing director of Continental Lloyds of Chicago, which has been in process of formation for several months. George L. Truitt, well known casualty man, formerly vice-president Northwestern Casualty & Surety, is assisting in the organization.

Col. Frazer for a time was an estate analyst in the firm of Frazer, Powers & Moulton, Chicago. He is now busy on the work of building up a trust fund and in a short time expects to apply for an Illinois license to write automobile and plate glass.

C. K. Brooks Opens Own Office

Los Angeles Agency Supervisor Home Indemnity, Southern Surety Becomes Independent Adjuster

C. Kelly Brooks announces the opening of independent adjusting offices in the Fidelity building, Los Angeles, for the exclusive representation of insurance companies. Mr. Brooks and associates will specialize in personal injury, public liability and property damage claims as well as automobile fire, theft, collision, conversion, confiscation and collection of subrogation. Facilities, also, are available for the adjustment of all classes of casualty.

Mr. Brooks until recently has been agency supervisor for the Southern Surety and Home Indemnity at Los Angeles. Before that for nine years he was adjuster for the Aetna Life companies at the Los Angeles branch. He went to California from Minneapolis where he had been engaged in claim work covering Minnesota, Wisconsin, Montana and the Dakotas for several years.

There will be associated with Mr. Brooks experienced investigators and adjusters acquainted with local conditions and California procedure.

Affiliated associations are being made

in San Diego, Imperial Valley, Arizona and southwestern Nevada, as well as corresponding offices throughout the United States.

Golan Appoints J. S. Harper

Jean S. Harper, well known surety man of Chicago, whose last connection was with the Bankers Indemnity there as assistant manager, has joined the Louis E. Golan office of the Public Indemnity in Chicago in charge of surety. He is taking over the work of C. C. Blackwell, who has just resigned.

Mr. Golan, who is resident vice-president of the Public Indemnity, also announces that Fred S. Rye has been appointed assistant manager of the agency under Manager J. H. Lerch. Mr. Rye, son of President Fred A. Rye of the Public Fire, was formerly manager of the casualty department.

Ocean's New Canadian Manager

The Ocean Accident has appointed Albert C. Hall as manager in Canada and Newfoundland. Mr. Hall has served with the Ocean since 1900, first in England, then in the far east, and again in England the past three years.

Bailey Quits U. S. F. & G.

C. S. Bailey has resigned as special agent of the United States Fidelity & Guaranty in San Francisco, effective March 1. He has been with the U. S. F. & G. four years.

sation risks for the completed policy year of 1930; the data to be in the hands of the National Council on Compensation Insurance by the first of March, and to be used by it in the preparation of rates later on. General reports indicate that while the pure loss element in the business has about reached a level, the continued falling off in pay rolls will likely increase the average loss ratio.

Oklahoma Changes Advocated

TULSA, OKLA., Feb. 24.—At the recent convention of the Associated Industries of Oklahoma, the state workmen's compensation laws were reviewed. Through resolutions the organization advocated an amendment to confer upon the state supreme court or upon some other tribunal, authority to review the evidence upon which the state industrial commission's awards are made. Another amendment was recommended to provide a two-year limitation of time for the reopening of any order made by the industrial commission and that the person applying within time fixed for reopening of any case be required to fill a verified petition, setting forth the change of condition upon which the application is made, and, if the application be made by claimant, that it shall be supported by the affidavit of a qualified physician who has made personal examination of the claimant within 10 days prior to the filing of the petition, stating that he believes the claim is meritorious.

More Trouble Is Seen

V. A. Zimmer, director of the division of workmen's compensation of the state department of labor of New York, in his annual report calls attention to the increased resistance to compensation awards on part of the carriers and more active pursuit of claims by injured workers. He said: "Many cases which would ordinarily be closed at the first hearing with adjustment satisfactory to all parties now require two or even three hearings." There was a decrease of 11 percent in industrial accidents in New York last year.

Revise Qualification Rules

MONTGOMERY, ALA., Feb. 24.—Effective March 1, the Alabama department has granted the request of the National Council on Compensation Insurance for a revision of the qualification rules of the schedule rating plan. Among the changes is one that requires less frequency in the inspection of risks, principally the smaller risks. Eligibility of policyholders also is affected.

Would Abolish Commission

Abolishment of the Arizona industrial commission and repeal of the compensation law are proposed in an initiative measure for submission at the general election in November.

WORKMEN'S COMPENSATION

Court Adheres to Fact Ruling

Oklahoma High Tribunal Reverses Industrial Commission's Findings When Proper Evidence Is Lacking

OKLAHOMA CITY, Feb. 24.—The Oklahoma supreme court has adhered rather uniformly to the rule that facts developed in hearings before the state industrial commission, upon which the commission later makes an award, will not be disturbed, and that such finding governs, but this does not mean the court will not take jurisdiction in ascertaining the facts if there seems justification. In two cases appealed to the high court during the past week, the court went into the records and afterwards reversed the awards made by the commission.

The court had this to say about the finding of facts: "Findings of fact made by the industrial commission are conclusive where there is any evidence to support the same, but where there is an entire absence of evidence on which to base the material finding necessary to support an award of compensation,

this court must declare as a matter of law that an award based on such unsupported material finding is unauthorized."

Not a State Institution

LANSING, MICH., Feb. 24.—A death blow to the frequently reiterated claim of solicitors for the state accident fund that it is backed by the state was dealt during the past week when the attorney-general's department issued a ruling which, in effect, holds the fund not to be a state institution.

The ruling comes directly following complaints filed with Governor Brucker that the fund solicitors have been using the state's prestige to obtain business. It also follows announcement of Roy M. Watkins, manager of the fund, that the fund advisory board has named committees to establish higher rates and to effect economies through reduction of the personnel of the fund organization.

Compiling Loss Experience

NEW YORK, Feb. 24.—Casualty company staffs are busy just now compiling the loss experience on compen-

AUTOMOBILE

*All Forms of Automobile Insurance
at Independent Rates*



INSURANCE

*An Illinois Stock Company
writing only a preferred class
of Automobile Risks*

SUBURBAN AUTO INSURANCE CO. - LOMBARD, ILLINOIS



NICOLLET HOTEL

Minneapolis

THE LEADING HOTEL
OF THE NORTHWEST

Six Hundred Rooms
Fire-Proof Throughout
Moderate Rates

W. B. Clark, Manager

ACCIDENT AND HEALTH FIELD

Successful Convention Held

**Mutual Benefit Health & Accident and
United Benefit Life Had Large
Agency Meeting**

The Mutual Benefit Health & Accident and United Benefit Life of Omaha held their first annual agency convention last week. There were 350 managers and agents qualified. The year closed was the best in their history. The Mutual Benefit H. & A. reported 232,898 applications written last year, increase 28,403. The United Benefit Life business last year was \$48,196,998, increase \$20,134,968.

J. D. Sharp of Nashville was the leading health and accident producer, writing 1,258 applications. E. F. Sallander of Omaha was the leading life producer, his record being \$675,000. The United Benefit has \$55,168,937 in force, increase \$15,902,779.

When the convention opened \$1,281,000 new life insurance and 1,023 applications for health and accident that had

been brought in by the agents were put on the table. Dr. C. J. Rockwell, well known life insurance educator, was the main speaker. The banquet took place Friday night. An amateur show was put on by members of the home office staff, the whole affair being managed by Agency Director E. D. McKim. He was assisted by Miss Fusteen Cox. The work was very cleverly done.

Dr. C. C. Criss, head of the two companies, who has done much in their up-building and development, gave the address of welcome.

Eastern States Issue New Ruling on Limited Policies

In line with similar action in Connecticut and Massachusetts Superintendent Van Schaick of New York has notified all companies writing limited accident policies that such contracts must be marked so that there can be no question as to their character. His ruling, effective April 1, requires that all policies containing the wrecking or disablement clause should have printed in red on the face of the policy a statement that such words are defined to be "an injury which necessitates repair in order to place the conveyance in as good condition as existed before the accident," and also the words: "This is a limited policy. Read it carefully." The ruling is quite similar to the revised forms issued by a number of western commissioners following a conference with the companies at Salt Lake City.

Rogers Assistant Secretary

P. H. Rogers, manager of the accident and health department of the Massachusetts Bonding, has been made assistant secretary. Mr. Rogers has had a long and successful experience in the accident and health field. He began with the company when headquarters were in Saginaw, Mich., moved with the department to Boston and has been its manager since the retirement of John Patterson from the service of the Massachusetts Bonding. Mr. Rogers has been very active both in the Health & Accident Underwriters Conference and the Bureau of Personal Accident & Health Underwriters. He is now a mem-

ber of the executive committee of the conference.

Pick Lebby for President

LOS ANGELES, Feb. 24.—At the luncheon-meeting of the Accident & Health Managers Club of Los Angeles, A. G. McKinnon, Unity Mutual Life & Accident, chairman of the nominating committee, presented the following ticket for the annual meeting March 8: For president, W. E. Lebby, Behrendt-Levy-Rosen Co., now vice-president; for vice-president, I. C. Cunningham, Occidental Life; directors, C. M. McKee, Rule & Sons, and H. C. Lyon, Washington National.

The meeting was devoted mainly to a discussion of the proposed sales congress. It was decided to make a personal canvass of the various accident and health companies or agencies in Los Angeles to ascertain their reaction to the idea.

Two Conference Speakers

Harold R. Gordon, executive secretary of the Health and Accident Underwriters Conference, is now lining up the program for the annual meeting of the conference, to be held at the Edgewater Beach hotel, Chicago, June 7-9. Speakers so far announced are H. S. Don Carlos of the Travelers, president of the International Claim Association, and Henry Swift Ives, counsel for the National Association of Casualty and Surety Executives. Neither of these speakers has announced the subject of his address as yet.

Joins the National Body

The Philadelphia Accident & Health Underwriters Association, which is a strong local body, has voted to become affiliated with the National Association of Accident & Health Managers. This makes the 14th local club to take this action.

Bars "Premium" Policies

DES MOINES, Feb. 24.—Commissioner Clark has ruled that no insurance company may issue in this state a policy to be used as a free premium to induce the purchase of another commodity. This ruling is aimed particularly at the sale of newspaper subscriptions with which the subscriber is given a limited accident policy. The commissioner explained, however, that the Iowa law does not prohibit a business institution offering to customers insurance with a specific premium, to be paid wholly by the insured, provided one of its employees is appointed a licensed agent.

New Omaha Company Licensed

Commissioner Herdman of Nebraska has licensed the newly-organized Fontanelle Insurance Company of Omaha, an assessment accident and health company. Peter Behn, Jr., is president; Ralph D. Conklin, secretary, and Basil C. Turk, general manager.

Only One License Needed

Attorney General Carlstrom of Illinois has advised Superintendent Hanson that an agent representing a company, transacting both a casualty and surety business, need not procure a separate license for each class. The language of the statute, he said, is unambiguous and indicates that the certificate of authority is based upon the companies represented and not the classes of business transacted by the companies.

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